How To Maintain Accurate Records Of Your Business Assets

Why does a company need to maintain an assets register?

A Fixed Asset Register allows a company to keep track of the details of each fixed asset to ensure control and prevention of misappropriation of assets. It also keeps track of the correct value of assets, allowing for calculation of depreciation for tax and insurance purposes.

What is an asset register and what details does it include?

An asset register is a list of the assets owned by a business. It contains pertinent details about each fixed asset to track their value and physical location. The register shows the quantity and value of items such as plant and equipment, vehicles, IT hardware and software, office furniture and communications systems.

How to create an asset register

1. Create a spreadsheet listing all business assets
2. Classify the assets into categories
3. Provide each asset with a unique ID
4. Register the asset on the Personal Property Securities Register (PPSR)
5. De-register them once the asset has been paid in full

You should record

- Asset name
- Asset class
- Description
- Physical location
- Unique ID
- Serial No
- Acquisition date
- Acquisition cost
- Estimated useful life
- Estimated salvage value
- How you purchased asset: cash or finance (loan, hire purchase, leased)
- Depreciation method (your accountant should provide advice and assist with this)
- Depreciated value
- Date of disposal
- Profit or loss on disposal

Remember: When you have repaid the asset loan you need to have your record updated on the PPSR. In the event you sell your business (and assets) it will help avoid settlement delays.

Also you should conduct regular audits to verify the current accuracy of the asset register.

Work with your accountant to determine the best depreciation method for your assets

Chase Finance Pty Ltd

Kent Town SA 5067 Toorak VIC 3142

1300 137 045

finance@chasefinance.com.au

www.chasefinance.com.au