

AARO Lease

IFRS 16

Calculate and monitor the effects of IFRS 16 with AARO

With AARO Lease, you can easily determine the effects IFRS 16 will have on your company, business area, or group. AARO Lease makes the necessary calculations and keeps track of your contracts so that you will be IFRS 16 compliant. It is a stand-alone product that can be fully integrated with AARO or other reporting systems.

The basic information for leasing contracts is registered in AARO Lease and the effects on assets, liabilities, and income statements are added to the reported figures in a separate Accounting Type. You can easily explore the balance sheet, income statement, financial ratios, and other metrics, with or without the effects of IFRS 16.

Scalable – one software, three options:

1) Turn-key:

Plug and play cloud solution with standard configuration. Applicable for both impact analysis and your ongoing follow-up of IFRS 16 effects.

2) Flexible:

Tailored to support your specific processes and needs. Cloud based or on-premise.

3) Full consolidation:

Seamless integration with AARO – our consolidation and management reporting tool.

Contract Information

New contracts can be manually added or imported with contract data, such as:

- ✓ *Commence Date*
- ✓ *End Date*
- ✓ *Payment*
- ✓ *Periodicity*
- ✓ *Payment Plan*
- ✓ *Initial Cost*
- ✓ *End Date Cost*
- ✓ *Interest Rate*

Import	Admin	Windows Client	Cash Forecast -c	Lease Registry
Standard Leasing Contract 				
Period	1801A			
Company	HEL SINKI			
Leasing Class	LEASE1110S			
Contract Type	Standard			
Contract Name	TK_051001			
Contract description	<input type="text" value="TK Apartments"/>			
Reference 1	<input type="text" value="TK Apartments"/>			
Reference 2	<input type="text" value="TK Apartments"/>			
Commence date, original	<input type="text" value="2017-12-31"/>			
Contract end date, original	<input checked="" type="radio"/> 2020-12-30		Accounting Type <input type="text" value="IFRS16 - Financial Leasing"/>	
Optional contract end date	<input type="radio"/> YYYY-MM-DD		Tax Rate <input type="text"/>	
Depreciation end date	<input checked="" type="radio"/> 2020-12-30		Currency <input type="text" value="EUR - EUR"/>	
Revised depreciation end date	<input type="radio"/> YYYY-MM-DD		Index <input type="text"/>	
Payment plan	<input type="text" value="Payment plan"/>			
Purchase option price	<input type="text"/>			
Other cost at expiration date	<input type="text"/>			
Interest rate	<input type="text" value="Interest rate"/>			
Present value	84.5361			
First Year		Before First Year		
Initial Payment	<input type="text"/>		Initial Payment <input type="text"/>	
Initial Cost	<input type="text"/>		Initial Cost <input type="text"/>	
Initial Income	<input type="text"/>		Initial Income <input type="text"/>	
Initial Right of use Asset	84.5361			
<input type="button" value="Save Options"/> <input type="button" value="Save"/> <input type="button" value="Cancel"/>				

Basic data for every contract including the scanned contract.

(Please turn over for more information)

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Calculated Data

Contracts are associated with your legal and operational organization and the following data points are calculated:

- Right of Use Asset
- Interest Cost
- Depreciation
- Reversal of Lease cost
- Lease Liability
- Change in Equity

Everything is automatically booked in AARO and/or a journal is created to be booked in your ERP. You also get the annual notes for short and low value.

User-friendly drill down function

This standard solution is powerful, yet user-friendly. For example, you can use the drill down function to generate reports with greater levels of detail.

By drilling on the contract numbers you can see which lines have been affected by IFRS 16 and by how much.

You can also find out how much that is owned and how much is leased, how key ratios have been affected, and more.

GACODE	LEASE1110
Right of use asset	
Contract value as of Present Value commence date	139 369
Initial payment	10 000
Initial cost	
Initial income	
Other initial adjustments	
OB Contract value at start of contract	149 369
OB for Remeasurment of contract	
OB Contract Value for the period	149 369
Remeasurment of contract present value net	
Adjustment to IS	
CB contract value	149 369
Opening Depreciation	
Period depreciation	
Period depreciation	-49 790
Remeasurment Adjustment	
Adjustment to IS	
Closing Depreciation	-49 790
Closing Contract Value Net	99 579
Lease Liability	
Opening Balance Liability	139 369
Remeasurment of Leases Liability	
Lease Payment for the period	-50 000
Adjustment Lease payment	
Lease interest for the period	13 937
Adjustment interest	
CB lease Liability	103 306
Shot Part of Lease Liability	
	34 435
Change in Equity	
OB Retained Earnings	
Lease Payment	
	50 000
Depreciation for the period	
	-49 790
Interest for the period	
	-13 937
Initial Payment	
	10 000
Result	-3 727
CB Retained Earnings	
	-3 727

Acct Standard	IFRS	IFRS16	EXCL16
Capitalised expenditure	58 073		58 073
Concessions etc.			
Patents	26 313		26 313
Licenses	76 850		76 850
Trademarks	9 621		9 621
Tenancy, ette leasehold and similar rights	192		192
Goodwill	6 569		6 569
Advance payments for intangible fixed assets	99 684		99 684
Other intangible fixed assets			
TOTAL INTANGIBLE FIXED ASSETS	277 302		277 302
Buildings	619 807	364 949	254 858
Land and land improvements	367 206		367 206
Undeveloped land			
Land improvements	200		200
Construction in progress			
Other land and buildings			
Plant and machinery	847 554		847 554
Equipment and tools	1 444 327		1 444 327
Fixtures and fittings			
Cars and other transport equipment	101 058		101 058
Computers			
Leased assets			
Construction in progress and advance	111 215		111 215
Other tangible fixed assets			
TOTAL TANGIBLE FIXED ASSETS	3 491 365	1 488 195	1 878 827
Participations in group companies	774 129		774 129
Long-term receivables from group companies			
Participations in associated companies	10 826		10 826
Long-term receivables from associated companies	331 267		331 267

Calculated figures from the lease registry are automatically fed into separate accounts.

Acct Standard	IFRS	IFRS16	EXCL16
Goodwill	6 569		6 569
Advance payments for intangible fixed assets	99 684		99 684
Other intangible fixed assets			
TOTAL INTANGIBLE FIXED ASSETS	277 302		277 302
Buildings	619 807	364 949	254 858
BU_24523	165 790	165 790	
BU_93353	199 159	199 159	
Land and land improvements	367 206		367 206
Undeveloped land			
Land improvements	200		200
Construction in progress			

You can drill down to analyse the effects from single contracts, among many other things.

In the balance sheet, by drilling down you are able to explore each contract by asset class.