

ACCOUNTANTS' PROCEDURES FOR THE AUDIT EXEMPT COMPANY

This document lists procedures which are relevant on most assignments where the accountant assists the directors of a non charitable company to prepare the statutory accounts. It is not intended for use on dormant companies.

This document covers those areas most commonly encountered on such assignments. However, it does not deal with all aspects of every assignment. Its purpose is to assist in the direction and documentation of procedures and to act as a basis for a firm to draw up a work programme suitable for its own needs. Some space has therefore been left in each section for a firm to insert details of additional procedures which may be required on a particular engagement or may be necessary due to the structure or working methods of the firm.

For advice on any of the matters referred to above, please contact the ICAS Practice team.

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FIXED ASSETS – TANGIBLE AND INTANGIBLE

Section
G

Client:	Prepared by:	Initials	Date
Accounting Date:	Reviewed by:		

	Schedule Ref/ Comments	Initials
1. Prepare/obtain a copy of the client's fixed asset register or schedules showing movements during the year of cost, depreciation/amortisation and net book amounts for each fixed asset category.		
2. Prepare/obtain a schedule of additions during the year making reference to supporting invoices for major items.		
3. Prepare/obtain a schedule of disposals during the year making reference to supporting documentation for major items.		
4. Prepare/obtain a schedule showing profit/loss on disposals in year. Check calculation of profit or loss on disposal.		
5. Prepare/obtain schedules showing assets held under finance leases or hire purchase agreements. Review lease and hire purchase agreements and ensure that both the assets and the related obligations have been properly accounted for and disclosed.		
6. Consider the client's assessment of asset residual values and confirm reasonableness.		
7. Prepare/obtain schedules showing depreciation/amortisation charge for the year and confirm reasonableness.		
8. Prepare/obtain schedules showing revaluation of assets in the year.		
9. Prepare/obtain a schedule of repairs and renewals and consider whether any items should be capitalised.		
10. Obtain schedule of capital commitments, if any, distinguishing between those contracted for but not provided in the financial statements and items authorised but not contracted.		
11. Consider the results of the client's impairment review and whether there are any indications of an impairment in the value of any assets tangible or intangible.		
12. (Not applicable under FRS 105) Where fixed assets have been revalued, ensure the details of the date, valuer and basis of revaluation are disclosed. Ensure historical cost details are also disclosed.		
13. Ensure details of net book value and depreciation charges of assets held on hire purchase or finance leases are disclosed. (Note – NBV of assets held on hire purchase is not required to be disclosed under FRS 105)		
Additional Work - space available overleaf		

	Schedule Ref/ Comments	Initials
<p>Additional Work</p> <p style="text-align: center; opacity: 0.5; font-size: 2em; transform: rotate(-45deg);">SAMPLE</p>		