

# insol6

Dealing with Assets

insol6  
Insolvency Software



# About this manual

An appointee of a Job needs to report to ASIC the values of Assets available for realisation and the amounts received in realising those Assets. These figures are reported on various statutory returns such as the ASIC Form 5602.

This training module will demonstrate how to maintain and realise those Assets.

In realising Assets, you will discover that multiple Assets may be realised as part of one asset sale. We will look at this event in a sale of business scenario and allocating costs to a sale.

At the completion of this module, you will be able to:

- Realise Assets
- Revalue Assets
- Part-realise Assets
- Write-off Assets
- Pay out charged Assets
- Disclaim Assets
- Product Asset Reports

# Maintaining Assets

To change the value of an Asset, simply adjust the value of the ERV (low) in the Assets Details form.

This will create an entry in the relevant Asset Holding Account.

1. In the Job window, click Financials -> Assets:

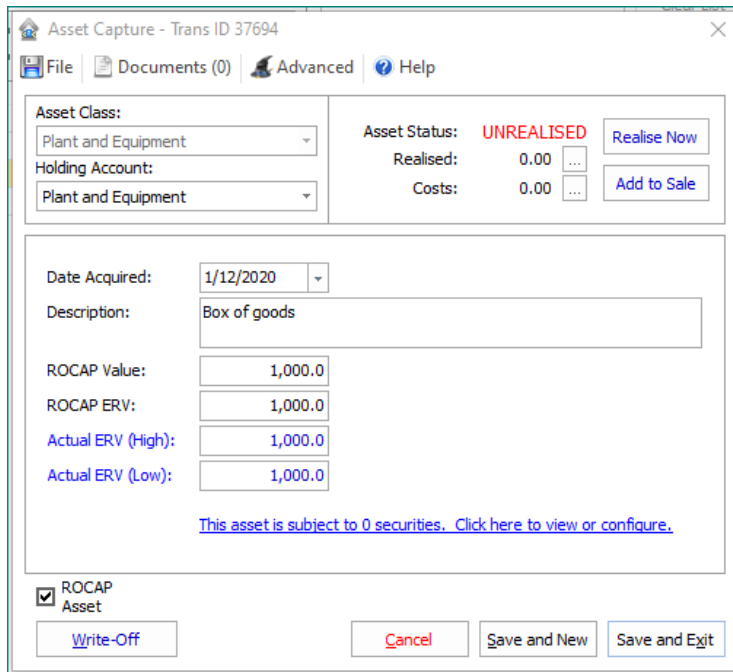
Asset Summary				
	ROCAP ERV	ERV High	ERV Low	Realised
<b>Pre-Appointment Assets</b>				
▶ Accounts Receivable (Pre-Appointment) (8)	14,350	14,150	14,150	8,300
▶ Assets Subject to Specific Security Interests (0 Available for Realisation)	0	0	0	0
▶ Cash at Bank at Appointment (1)	10,000	10,000	10,000	10,000
▶ Cash on Hand at Appointment (0)	0	0	0	0
▶ Contingent Assets (0)	0	0	0	0
▶ Interests In Land (0)	0	0	0	0
▶ Other Assets (1)	0	1,050,000	1,050,000	0
▶ Plant and Equipment (3)	31,000	31,000	31,000	8,000
▶ Potential Legal Recoveries (0)	0	0	0	0
▶ Stock/Inventory (0)	0	0	0	0
▶ Work In Progress (0)	0	0	0	0
	<b>55,350</b>	<b>1,105,150</b>	<b>1,105,150</b>	<b>26,300</b>
<b>Post-Appointment Assets</b>				
▶ Accounts Receivable(Post-Appointment) (3)	8,156	8,156	0	
▶ Contributions	5,000	5,000	5,000	

2. Double-click the Asset Class for the Asset you wish to revalue. In this example, we will choose **Plant and Equipment**.

3. Select the Asset from the List, we will look at 'Box of Goods':

Asset	ROCAP ERV	ERV High	ERV Low	Realised	Bal. High	Bal. Low	✓
Baking machine	0.00	0.00	0.00	8,000.00	0.00	0.00	✓
Box of goods	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00	✓
Truck	30,000.00	30,000.00	30,000.00	0.00	30,000.00	30,000.00	✓

- The Asset Capture window appears. Edit the Asset value, in this example, change the ERV (Low) to **\$500**. Then click save and exit.



Asset Capture - Trans ID 37694

File Documents (0) Advanced Help

Asset Class: Plant and Equipment  
 Holding Account: Plant and Equipment

Asset Status: **UNREALISED** Realise Now  
 Realised: 0.00 ...  
 Costs: 0.00 ... Add to Sale

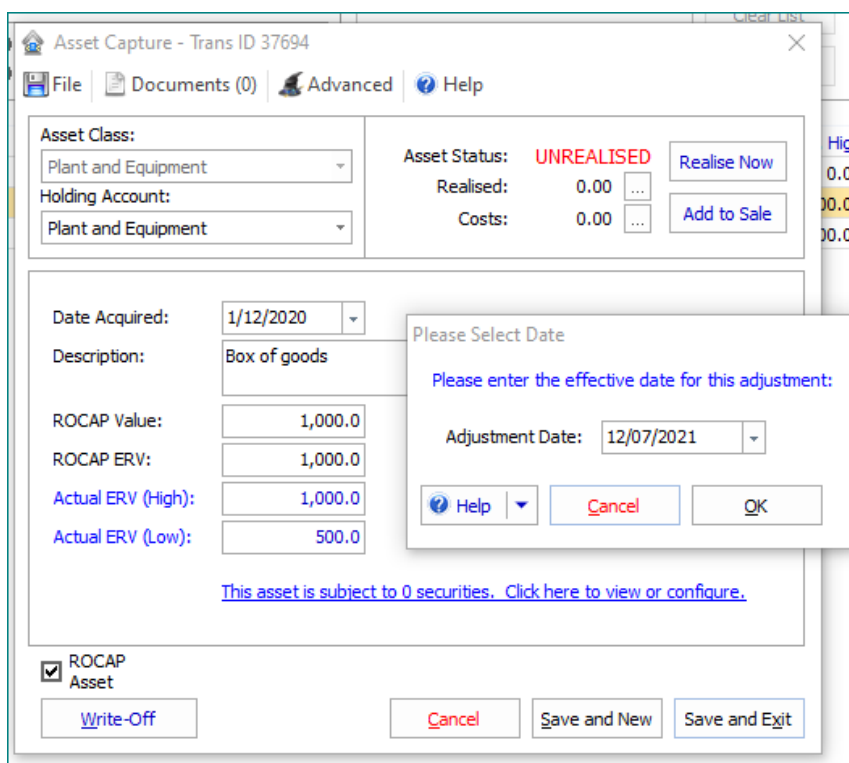
Date Acquired: 1/12/2020  
 Description: Box of goods

ROCAP Value: 1,000.0  
 ROCAP ERV: 1,000.0  
 Actual ERV (High): 1,000.0  
 Actual ERV (Low): 1,000.0

[This asset is subject to 0 securities. Click here to view or configure.](#)

ROCAP Asset  
 Write-Off Cancel Save and New Save and Exit

- For any adjustments made on an asset, the system will prompt users to select the effective date for the adjustment:



Asset Capture - Trans ID 37694

File Documents (0) Advanced Help

Asset Class: Plant and Equipment  
 Holding Account: Plant and Equipment

Asset Status: **UNREALISED** Realise Now  
 Realised: 0.00 ...  
 Costs: 0.00 ... Add to Sale

Date Acquired: 1/12/2020  
 Description: Box of goods

ROCAP Value: 1,000.0  
 ROCAP ERV: 1,000.0  
 Actual ERV (High): 1,000.0  
 Actual ERV (Low): 500.0

[This asset is subject to 0 securities. Click here to view or configure.](#)

ROCAP Asset  
 Write-Off Cancel Save and New Save and Exit

Please Select Date  
 Please enter the effective date for this adjustment:  
 Adjustment Date: 12/07/2021  
 Help Cancel OK

**Note:** Any revaluation or disposals made on assets will be reflected in the Equity account 'Revaluations and Disposals'

General Corporate <b>Financials</b> Document Management Messages Tasks	
Accounts Batches Creditors Assets Distributions Position WIP and Fees	
<All Accounts>	Hide Nil Activi Reports Add Account
Equity	(988,100.00)
▶ Opening Balance	(996,100.00)
▶ <b>Revaluations and Disposals</b>	8,000.00

## Realising Assets

Realising Assets is handled through the Asset Register.

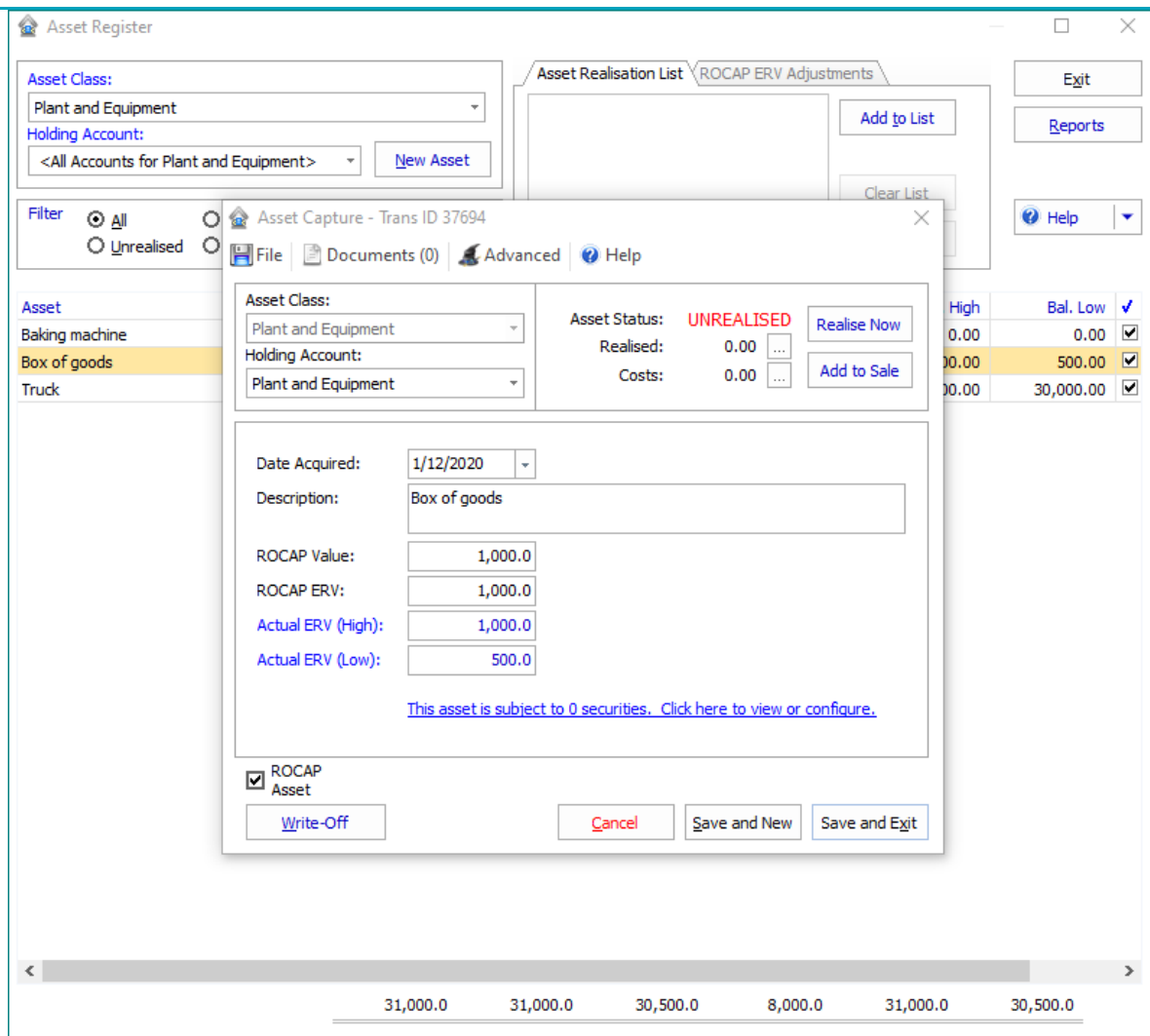
The basic process is:

- Open the Asset Register
- Add assets to the Asset class list
- Creation of an Accounts Receivable Entry (or Cash sale)
- Receive payment

1. Open the Asset Summary List by going to **Financials** -> **Assets**

General Corporate <b>Financials</b> Document Management Messages and Publishing Tasks Portal	
Accounts Batches Creditors <b>Assets</b> Distributions Position WIP and Fees	
<b>Asset Summary</b>	
Pre-Appointment Assets	
▶ Accounts Receivable (Pre-Appointment) (8)	14,350 14,150 14,150 8,300
▶ Assets Subject to Specific Security Interests (0 Available for Realisation)	0 0 0 0
▶ Cash at Bank at Appointment (1)	10,000 10,000 10,000 10,000
▶ Cash on Hand at Appointment (0)	0 0 0 0
▶ Contingent Assets (0)	0 0 0 0
▶ Interests In Land (0)	0 0 0 0
▶ Other Assets (1)	0 1,050,000 1,050,000 0
▶ Plant and Equipment (3)	31,000 31,000 30,500 8,000
▶ Potential Legal Recoveries (0)	0 0 0 0
▶ Stock/Inventory (0)	0 0 0 0
▶ Work In Progress (0)	0 0 0 0
	<b>55,350 1,105,150 1,104,650 26,300</b>
Post-Appointment Assets	
▶ Accounts Receivable(Post-Appointment) (3)	8,156 8,156 0
▶ Contributions	5,000 5,000 5,000

2. Open the Asset Register by selecting the required asset class, in this example 'Plant & Equipment', then select the required asset:



3. Click **Realise Now** to start the realisation process. An Accounts Receivable invoice entry form appears with the Asset Realisation tab selected.

**Note:** When entering an Asset realisation, double check that you are entering a Creditor Sale or Cash Sale.

Entering a Credit Sale will generate an Accounts Receivable that you will then need to receipt into your Cash at Bank either later or after. If you want the Asset Realisation to hit your Cash at Bank, then you need to enter in a Cash Sale.

Also note that when you enter the Customer name in, they need to be a counterparty added into your database.

Credit Sale

File Documents (0) Reports Help

Type of Sale:  Credit  Cash  Credit Note

Job: Test Case CC (CVL - Test Case CC Pty Ltd)

Batch Type: <N/A>

Account: Accounts Receivable (Post-Appointment)

Date: 24/08/2021 Inv. No:

Totals:

Assets: 1,000.0  
Other: 0.0  
GST: 0.0  
Total Sale: 1,000.0  
Total Paid: 0.0

Customer Name: Purchaser Name  
Address: 1 Example Street  
Sydney NSW 2000  
Memo: Sale of Asset  
Payment Terms:

Allocate Sale Proceeds and Costs  
Asset Sale Allocation Wizard

Print Invoice  
Deposit Slip

Save and Exit  
Save and New  
Cancel

Accounts Asset Realisations

Asset	ERV (High)	ERV (Low)	GST Code	Net	GST	Total	Part Sale
Box of goods	1,000.00	500.00		1,000.00	0.00	1,000.00	<input type="checkbox"/>
							<input type="checkbox"/>

Sort by Name Hide Nil Activity  
Sort by Type + New Account

GST: 0.0  
Total: 1,000.0

4. Enter the total sale amount in the transaction line.

5. .

## Realising Assets with Costs

Sometimes you might have a cost associated with realising an Asset. To record these types of realisations. Follow steps 1 to 4 on how to realise assets. Then follow the below steps to record costs:

1. Select the Accounts Tab

Credit Sale

File Documents (0) Reports Help

Type of Sale:  Credit  Cash  Credit Note

Job: Test Case CC (CVL - Test Case CC Pty Ltd)

Batch Type: <N/A>

Account: Accounts Receivable (Post-Appointment)

Date: 24/08/2021 Inv. No:

Totals:

Assets:	1,000.0
Other:	(200.0)
GST:	(20.0)
<b>Total Sale:</b>	<b>780.0</b>
Total Paid:	0.0

Customer Name: Purchaser Name

Address: 1 Example Street  
Sydney NSW 2000

Memo: Sale of Asset

Payment Terms:

Allocate Sale Proceeds and Costs  
Asset Sale Allocation Wizard

Accounts Asset Realisations

Account	Tax Code	Net	Tax	Total	Allocation
Advertising	NCG	(200.00)	(20.00)	(220.00)	

Sort by Name Hide Nil Activity

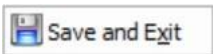
Sort by Type New Account

GST: (20.0)

Total: 780.0

Save and Exit Save and New Cancel Print Invoice Deposit Slip

2. Realisation Costs are entered as negative amount.

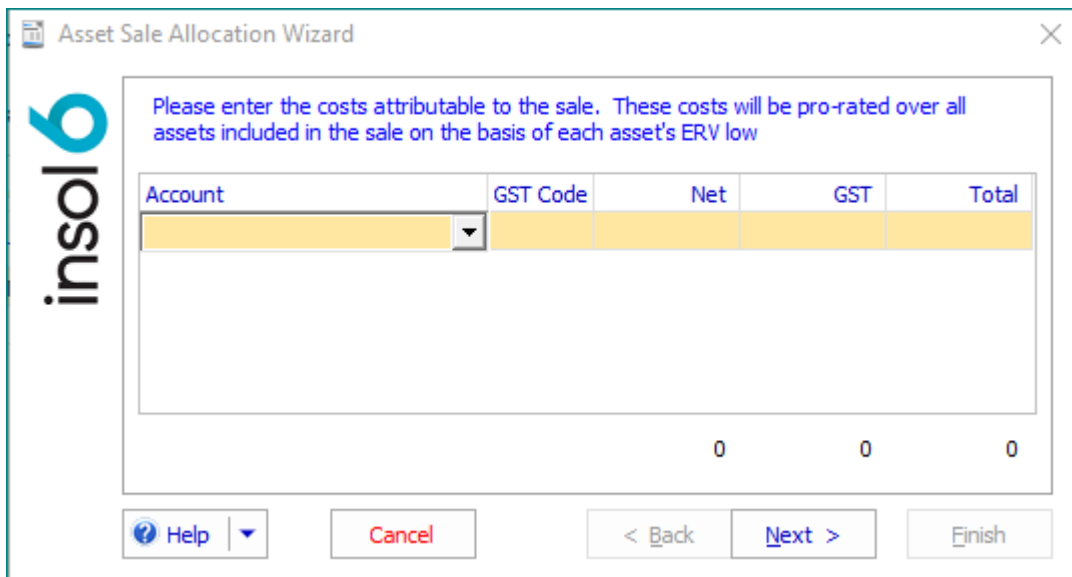
3. .

4. The Asset Sale is now completed. Amounts Realised are updated in the Asset Details. The Asset's ERV low will be increased to the amount realised if the amount realised is greater than the ERV Low.



**Note:** Auto Allocating amount in the Asset Sale.

If all Assets are sold as a group for one amount (e.g. in a sale of business scenario) you can pro-rata costs over all the assets equally by using the Auto Allocation function

Please enter the costs attributable to the sale. These costs will be pro-rated over all assets included in the sale on the basis of each asset's ERV low

Account	GST Code	Net	GST	Total
		0	0	0

Buttons: Help, Cancel, < Back, Next >, Finish

## Notes on Asset Realisations

The following commentary describes some of the operations pertaining to Asset Management. No specific examples are illustrated

### Part Asset Sales

Marking an Asset as a Part Sale ensures that it is still available for realisation. Assets marked as Partly Realised may be included in future Asset Sales.

An example of an Asset which may be partly realised includes Stock, where you may progressively realise the Asset over a period of time. In this instance enter an Asset Sale for each transaction.

If an Asset is Partly Realised, the ERV (Low) will be increased if it is less than the amount realised.

## Writing off Assets

To Write Off an Asset simply adjust the Value of the ERV (Low) in the Asset details form to nil.

## Credit Notes

In a case where a debtor requires a credit note issued (prior to paying a debt) you may issue a Credit Note by navigating to: Transactions • Accounts Receivable • New Credit Note

A Credit Note appears as part of the balance owing by a debtor, however, it doesn't adjust the value of existing debtor as an asset.

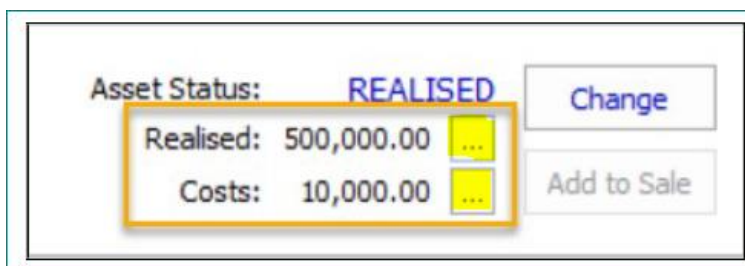
If an asset is unrealised (in this case the original debtor) it will not affect the operation of the system.

## Asset Transactions

On the Asset form you may view all transaction entries that are created for an Asset Realisation.

To view the Asset Transactions:

- Open the Asset Register.
- Click the Asset to open the Asset Capture form.
- Click on the Realised or the Costs ellipsis



- The Account Register will display the Asset Transactions

# Charged Assets

## Disclaiming Charged Assets

Generally, an Appointee disclaims a liability where there is a net deficit in the asset equity or the ongoing commitment to a liability exceeds the net equity achievable from realisation. In the following example, we will go through the steps of how to disclaim an Asset.

## Paying out Charged Assets

If there is sufficient equity in the asset (i.e. if the net estimated realisable value of an asset exceeds the amount owing on the charge) the Appointee may decide to payout the charge. In this case the asset would become available for realisation.

## Disclaiming and Paying out Assets subject to fixed charges

1. Double click on **Assets subject to Specific Security Interests**

Click on the Payout/Disclaim button

Payout/Disclaim

to get to the charge information form:



The screenshot shows a software window titled "Charged Assets - Westpac". It contains a summary table and a detailed table of assets.

	Current Position	After Changes						
Estimated Secured Claim:	\$30,000.00	\$0.00	Show all Charges for this Creditor		Save			
Estimated Unsecured Claim:	\$10,000.00	\$10,000.00			Cancel			
Total Cash Payout:	\$0.00	\$0.00			Disclaimer Notice			

Security	Asset	Amount Owing	ERV (High)	ERV (Low)	Surplus (Def)	Disclaim	Retain	Payout (Ex Tax)
Motor Vehicle Lease	Truck	40,000.00	55,000.00	30,000.00	(10,000.00)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0.00

2. Tick the Disclaim box, enter the payout amount and run the Disclaimer Notice if you need to by clicking on the Disclaimer Notice button.
3. Then click Save and the Confirm Payout / Disclaim form appears, then click ok.

**Confirm Payout**

Please check the following amounts and assign a tax amount and code to the payout amount if applicable.

Secured Claim:

Unsecured Claim:

Payout amount (Ex GST):

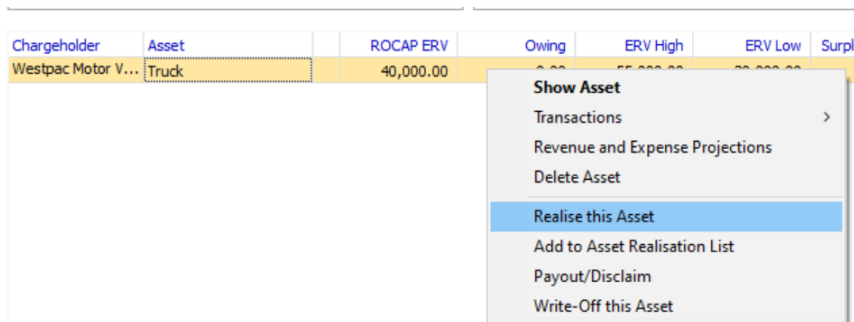
GST Code:

GST on payout amount:

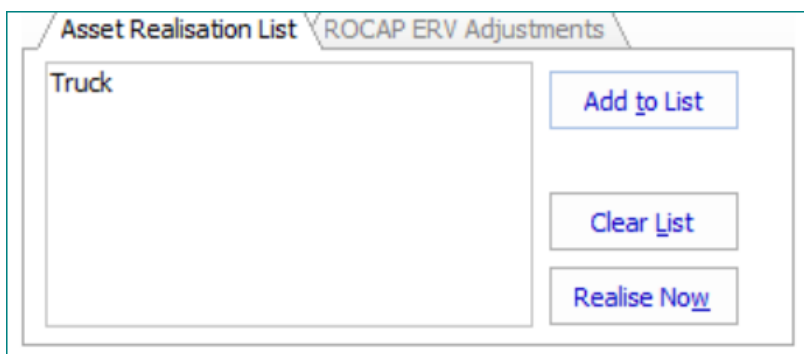
Gross payout amount:

4. Once you have disclaimed your asset, you will notice you can now realise it. To realise the asset, you can either:

A) Right hand click and select "Realise this Asset"




B) Select the asset and add the asset to the list:



Then realise the asset the standard way.

## Retaining the asset

Double click on **Assets subject to Specific Security Interests**

1. Click on the Payout/Disclaim button  to get to the charge information form:

The screenshot shows two windows from a software application. The top window is titled "Lease/Chattel Mortgage Information" and contains the following fields:

- Charge Holder: G W Financial Services
- Date Granted: 9/06/2021
- Description of Charge: Car
- Terms of Repayment: Monthly

Buttons on the right side of this window include: Save and Exit, Save and New, Cancel, Report, and Payout/Disclaim (highlighted in yellow).

The bottom window is titled "Charged Assets - G W Financial Services" and displays a table of assets with the following data:

Security	Asset	Amount Owing	ERV (High)	ERV (Low)	Surplus (Def)	Disclaim	Retain	Payout (Ex Tax)
Car	Car	25,000.00	25,000.00	25,000.00	0.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00

Additional elements in the bottom window include a "Show all Charges for this Creditor" button, a "Save" button, a "Disclaimer Notice" button, and a "Cancel" button.

2. Select the asset and tick the retain option. The confirm payout window will appear again. Click ok.

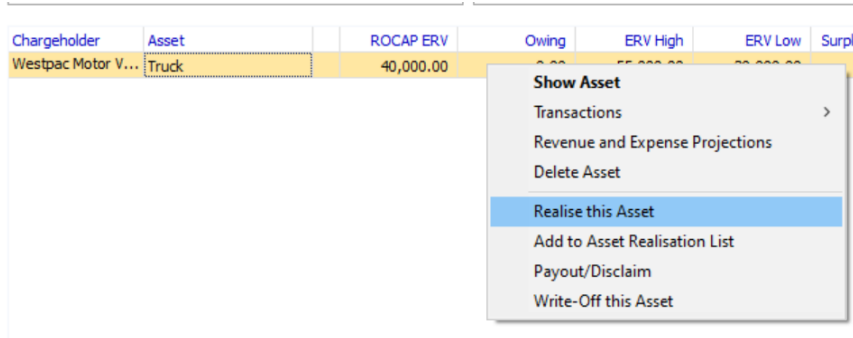
The screenshot shows a "Confirm Payout" dialog box with the following fields and values:

- Secured Claim: 0.00
- Unsecured Claim: 0.00
- Payout amount (Ex GST): 0.00
- GST Code: (dropdown menu)
- GST on payout amount: (empty field)
- Gross payout amount: 0.00

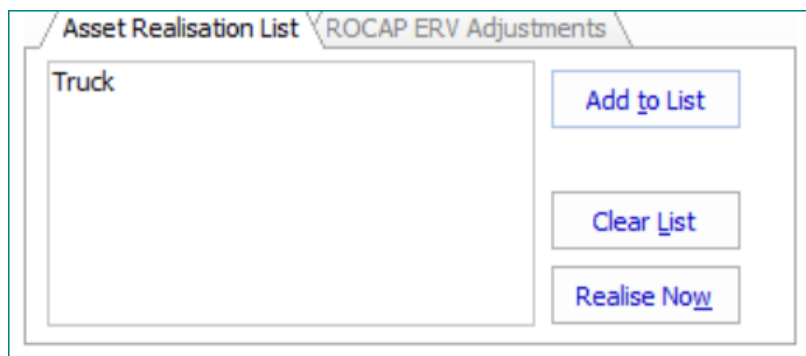
Buttons at the bottom include "Cancel" and "OK".

2. Once you have disclaimed your asset, you will notice you can now realise it. To realise the asset, you can either:

A) Right hand click and select "Realise this Asset"



B) Select the asset and add the asset to the list:



Then realise the asset the standard way.

## Entering an arrangement with a Charge Holder

In the above example, using the Disclaim / Payout functions illustrates how most arrangements may be correctly entered into the system by using combination of:

- Entering the appropriate **Amount Owing** and **Asset Values** to ensure the resultant claims match the arrangements made with the charge holder.
- Entering a payout amount.
- Specifically entering the amount of the **Proof of Debt** and **Amount Admitted** to participate in a creditors distribution.

Subject to a controller's obligations, the following may result from Charge Holder arrangements:

- Creation of a Secured Creditor
- Creation of an Unsecured Creditor Claim
- Creation of an Accounts Payable Entry

## Undo Disclaim / Payout

To undo a Payout or Disclaim, right mouse click on the asset listed and select Undo Disclaim/Payout:



Charged Assets - National Australia Bank

File Help

Current Position      After Changes      [Show all Charges for this Creditor](#)      [Exit](#)

Estimated Secured Claim:      \$0.00

Estimated Unsecured Claim:      \$0.00

Total Cash Payout:      \$0.00

[Disclaimer Notice](#)      [Cancel](#)

Security	Asset	Amount Owing	ERV (High)	ERV (Low)	Surplus (Def)	Disclaim	Retain	Payout (Ex Tax)
Motor Vehicle Lease Contract Number: NAB 100003456	Holden Caprice 200	40,000.00	65,000.00	50,000.00	10,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	55,000.00
	Holden R...			10,000.00	(10,000.00)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0.00

Context Menu: [Show](#), [Undo Payout/Disclaim](#)