

## <u>How do I Part Exchange a tractor with a new HP</u> <u>Agreement?</u>

The principal is to make it simple. We suggest you don't put a Purchase Invoice on and a Credit Note and then pay it off, but simply put a BANK PAYMENT in for the value you have to pay initially.

🛐 Bar	🖥 Bank Payment 🗖 🗖 💌														
	***NEW*** Bank Payment														
Trans	ans. No. 0 Edit														
										Me	thod	Cheque	-		
Bank	•	01	Current Account 1												
Supp	Supplier AVONB Avonbridge Machinery				Payment Date 01/0								-		
Billin	Billing* Invoice 🗸				Payment Ref. 101204 🚽 453								4530.00		
		21 Avonbridge	Road		Total								100 £		
Warwickshire, WR5 8KJ									Cheque Layout Print on Save						
P N	ominal	Name	Description	Qty	Price	Net	V	VAT	Gross	Inv. Ref. No	Inv. Date				
Т	Tractors		Purchase of new asset	0.00	0.00	84500.00	s	16900.00	101400.00		01/01/18				
Т	ractors		Sale of existing asset	0.00	0.00	-25800.00	s	-5160.00	-30960.00		01/01/18				
HP - Joh		n Deer	HP Libility nominal	0.00	0.00	-66000.00	0	0.00	-66000.00		01/01/18				
► S	undry C	Overheads	Administration fees	0.00	0.00	90.00	Е	0.00	90.00		01/01/18				
*															
Grand	Grand Summaries														
				-7210.00		11740.00	4530.00								
	Nom: Sundry Overheads														
S	ave	Print	Calc. Net De	ocuments	Сору						Remov	/e Abandoi		Exit	

On the FIRST line, enter your fixed asset nominal and set up the new asset you are buying.

_													
	Bank Pay	ment	📅 Bank Payme	ent Details								×	
Coding													
1	Trans. No.	c	Item					0	Quantity		0.00		
			Nominal *	01950		Tractors		F	Price		0.00		
	Bank *	01	Fixed Asse					N	Vet		84500.00		
	Supplier	AVONB	Method	Fixed Asset - Actin	Fived Accet								
	Billing *	Invoice	Enterprise		De	Description							
		21 Avonb Henley-o Warwicks	and the second sec		Rescription								
			-vnarysis	团 Code	c	ode *			TR 8		<< New Fixed Asset Details >>		
				TR 2	Description *				John Deer				
É	뢴 Nom		Invoice Details	TR 3	Dgtails								
	01950			TR 5	P	Purchase Date				-	r		
	01950 TR 7			Purchase Price					0.00	2			
				Opening Book Value				0.00					
Grand Summaries			Value below which the asset should not depres Nominal *					0.0	0				
							01950	1	Tractors				
					Er	Enterprise							
L				Analysis									
-		_	+ Balances										
	Save	Pr	ОК	New	Dep	preciation							
		_			N	ominal *			01760	0	Depreciation		
			Enterprise Analysis										
			Rate				20.0000 %						
					- T)	pe	Reducing Balance 👻						

On the SECOND LINE, enter the part exchange by choosing it from the list of assets, once the asset nominal is entered. Ensure you use the SALE option from the drop down box and ensure the value you enter is a negative.

If your trade in fixed asset is NOT listed use a Sundry Income nominal called Sale of Unlisted Fixed Assets

Coding									
Item									
Nominal *	01950	Tractors							
Fixed Asset	TR 5	NH Ford 190 Hp							
Method	Sale								
Enterprise	Opening								
Analysis	Original Purchase								
	Addition								
Invoice Details	Credit Note								
Involce Details	Grant								
	Sale								

On the THIRD LINE, enter the amount of the loan you have borrowed (this figure should not include the interest you will pay in the future on each repayment).

So firstly, create a new nominal in the LIABILITIES group of nominals, and then use this to enter the loan amount as a negative outside the scope of VAT (O).

On the FOURTH LINE, if it is applicable, enter the amount of your set up or arrangement fee, which can go to Bank Interest or HP interest or costs. It should be a nominal in your overhead section.