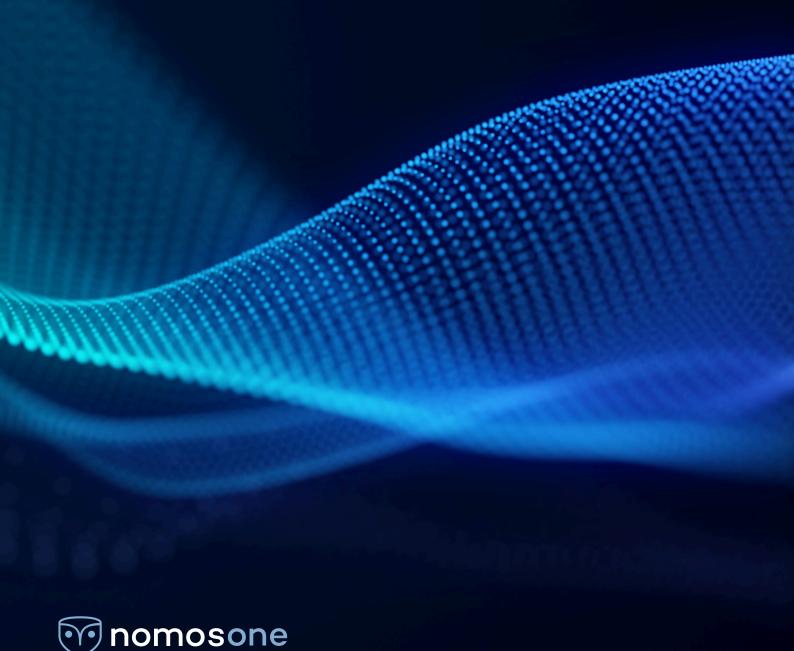
## IFRS 16 (AASB 16) Checklist for Manufacturing and Logistics

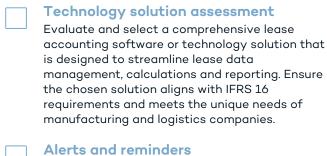


## IFRS 16 (AASB 16) Checklist for Manufacturing & Logistics

This comprehensive checklist is designed to assist manufacturing and logistics companies in navigating the complexities of IFRS 16 (AASB 16), streamlining lease accounting, simplifying compliance, and enhancing efficiency.

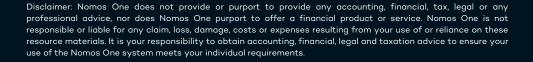


CHECKLIST 1: BEFORE YOU START	✓ Initial Recognition & Measurement
Preparation  Lease inventory Compile an exhaustive inventory of all lease agreements that may include machinery, equipment, transportation vehicles, warehousing facilities, office spaces, and IT infrastructure. Ensure that all lease documents are complete and easily accessible.	Lease classification Classify leases accurately as short-term, low-value, or standard leases as per IFRS 16 (AASB 16) criteria and understand the impact of classification on financial statements.  Lease liability Calculate and record lease liabilities, considering future lease payments and discount rates.
Identifying embedded leases Review service contracts to identify embedded leases within larger agreements that may need to be separated and accounted for under IFRS 16 (AASB 16).  Data collection Gather essential lease data such as terms, commencement and termination dates, payment schedules, and lease modifications, and store it in a centralised location.	Calculate and record ROU assets for all lease agreements, making sure to include all initial direct costs in the measurement.  Transition approach For first-time IFRS 16 application, select the appropriate transition method (full retrospective or modified retrospective) and use it consistently.
✓ Technology & Automation	



Set up automated alerts and reminders for critical lease events, such as lease expirations, renewal options and payment due dates to enhance compliance. Proactively addressing critical lease milestones helps enhance compliance.







## **CHECKLIST 2: ONGOING COMPLIANCE**

<b>/</b>	Accounting & Reporting	Internal controls Review and strengthen internal controls related to lease management and lease accounting to
	State discounts and estimations After accurately calculating ROU assets and	ensure data accuracy and integrity.
	lease liabilities for each lease using the IFRS 16	Collaboration
	(AASB 16) model, ensure consistency in state discount rates and lease term estimations.	Work closely with legal and compliance departments to ensure that lease agreements align with relevant
	Depreciation and interest expense	regulations.
	Implement depreciation and interest expense	Continuous compliance
	calculations for ROU assets and lease liabilities. Integrate these values into your financial	Maintain robust controls for ongoing compliance
	statements.	with IFRS 16 (AASB 16). Stay updated on any changes to lease accounting standards.
	Financial statement disclosure	Leverage automation systems for lease data
	Review and ensure compliance with IFRS 16	management, tracking and calculations to reduce manual effort.
	(AASB 16) disclosure requirements, including	reduce mandal errort.
	those related to lease commitments, maturity schedules and significant assumptions. Update	Risk assessment
	your financial statements to reflect the impact of ROU assets, lease liabilities and associated income and expenses. Include detailed notes,	Identify potential lease-related risks and establish mitigation strategies to minimise their impact.
	explaining the impact of leases and any	
	significant judgments made in the accounting process.	. Tarakarahan (C. Asata mantian
	p	Technology & Automation
		Automation of lease calculations
	Financial Year-End	Automate complex lease accounting
	Internal review	calculations, such as depreciation, interest, and lease liability adjustments. Implement
	Conduct thorough internal reviews of IFRS 16	automation tools to track lease modifications
	lease accounting records to verify accuracy and	and re-measurements efficiently.
	completeness.	Reporting automation
	Audit preparation	Utilise automation for generating IFRS 16-
	Prepare all necessary documentation schedules	compliant financial reports including balance
	and supporting evidence for the upcoming audit,	sheets, income statements, and cash flow statements. Ensure that reports can be easily
	facilitating a smooth and compliant process.	ocacoments. Ensure that reports out be easily

Compliance & Risk Management

customised to meet any specific needs.

Implementing modern technology solutions that are easily tailored to the needs of manufacturing and logistics companies, such as Nomos One lease accounting and lease management software, can significantly enhance operational efficiency, minimise errors, simplify compliance, and reduce costs. This allows the finance team to focus more on strategic financial planning and analysis, vital in these dynamic industries.

For further information or a demonstration of Nomos One, contact us at www.nomosone.com/book-a-demo or visit www.nomosone.com

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