Manufacturing | Global

A heavy machinery maker improved financial accuracy by 30% with automated depreciation

A heavy machinery manufacturer replaced error-prone manual depreciation with automated calculations by asset type and method, so its books and tax reporting reflect the true value of its machines.



30%
improvement in financial reporting accuracy

20%
reduction in tax liabilities

AT A GLANCE

INDUSTRY
Heavy machinery manufacturing

ASSETS
Many types of heavy machinery

FOCUS
Depreciation and tax reporting

PREVIOUSLY
Manual depreciation calculations

FEATURES USED
Finance | Assets | Insight

01 The client

The client is a manufacturing company known for an extensive range of heavy machinery.

Its machines are high-value assets of many different types, and each type needs the depreciation method that suits it. The finance team carried that work by hand, and the results fed both its financial statements and its tax returns.

02 The challenge

Depreciation was calculated by hand and often wrong. Assets were valued improperly, which led to financial misreporting and a tax bill higher than it should have been.

- Inaccurate depreciation tracking caused financial discrepancies.
- Improper asset valuation overstated tax liabilities.
- Manual processes took time and produced errors.
- Different methods for different machinery were hard to apply by hand.

03 What they set up in Asset Infinity

The company moved its machinery into Asset Infinity's register and let the Finance feature calculate depreciation by asset type and method.

Finance

Automated depreciation

Depreciation is calculated for every machine by rule, tailored to each type of heavy machinery, with no manual arithmetic.

Finance

A method for each asset type

Straight-line, declining balance and other methods are set per asset class, and book and tax depreciation are kept side by side.

Assets

Current status and value

Each machine's record shows its status and current value at any time, so finance and operations see the same numbers.

Insight

Depreciation schedules and reports

Finance produces depreciation schedules and the figures behind its financial statements directly from the register.

04 How it works day to day

Here is how depreciation now runs for the company's machinery.

ASSET ACCOUNTANT

Records a new machine

A new machine goes into the register with its asset class, cost and date put to use.

SYSTEM

Applies the method

The asset class brings its depreciation method, such as straight-line or declining balance, with book and tax treatment side by side.

FINANCE TEAM

Runs depreciation

A depreciation run calculates the period's charge for every machine the same way, with no manual arithmetic.

FINANCE TEAM

Exports the journal

The depreciation journal is exported to the accounting system, so the books match the register.

ASSET ACCOUNTANT

Records disposals

When a machine is sold or scrapped, the disposal is recorded and the machine leaves future runs.

FINANCE CONTROLLER

Prepares the statements

Depreciation schedules and asset values come straight from the register for financial statements and tax reporting.

05 Before and after

	BEFORE	WITH ASSET INFINITY
Depreciation	Calculated by hand, with errors	Automated runs by asset class
Methods	Hard to apply per machine type	Set per class, book and tax side by side
Financial accuracy	Misreporting	30% more accurate
Tax	Overstated liabilities	20% lower liabilities
Asset values	Uncertain at any given time	Current value on every record
Finance team time	Spent on manual calculation	Spent on review

06 How it rolled out

1

Machinery recorded. The company's heavy machinery was entered into the asset register with cost and dates.

2

Methods assigned. Each type of machinery was given the depreciation method that suits it.

3

Reports set up. Depreciation schedules and financial reports were configured for the finance team.

07 The results

- Substantial time saved on manual tracking and calculation.
- Compliance with financial regulations.
- More transparent financial reporting.
- Taxable income reported more accurately.

08 Why it worked

The right method per machine

Each type of machinery uses the method that fits it, which removed the main source of valuation errors.

Book and tax together

Keeping both views on the same asset made accurate taxable income a by-product of normal bookkeeping.

Traceable numbers

Every figure in a schedule leads back to a machine and a rule, which made reporting more transparent.

09 Looking ahead

With depreciation calculated by rule for each type of machinery, the manufacturer reports its asset values accurately and no longer pays tax on an overstated figure.

The finance team now spends its time reviewing results instead of producing them, and every schedule can be traced back to the machine it belongs to.

See it on your own assets

A 30-minute demo, set up for a manufacturer or finance team.

The client's name is withheld for confidentiality. Results are as reported by the client.

Book a demo

Start a 14-day free trial