Tools: Bond Amortisation (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

This document shows the detailed procedures for using bond amortisation tool in CS Lucas system.

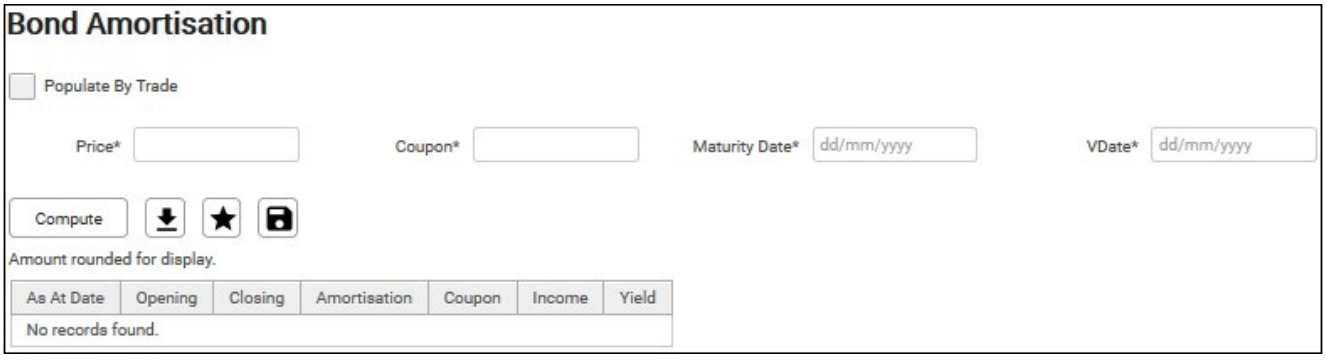
WHY IS THIS IMPORTANT?

Carrying value for bonds where bonds held to maturity need to be stated in the financial statement at amortised (accreted) price that gives a constant yield to maturity. This tool allows user to verify the methodology used by CS Lucas to compute the bond amortised price.

PROCEDURE

1. CS Lucas provide an amortisation (accretion) schedule for a bond that is held to maturity.

2. To print the amortisation (accretion) schedule, select Tools > Bond Amortisation from the main menu.



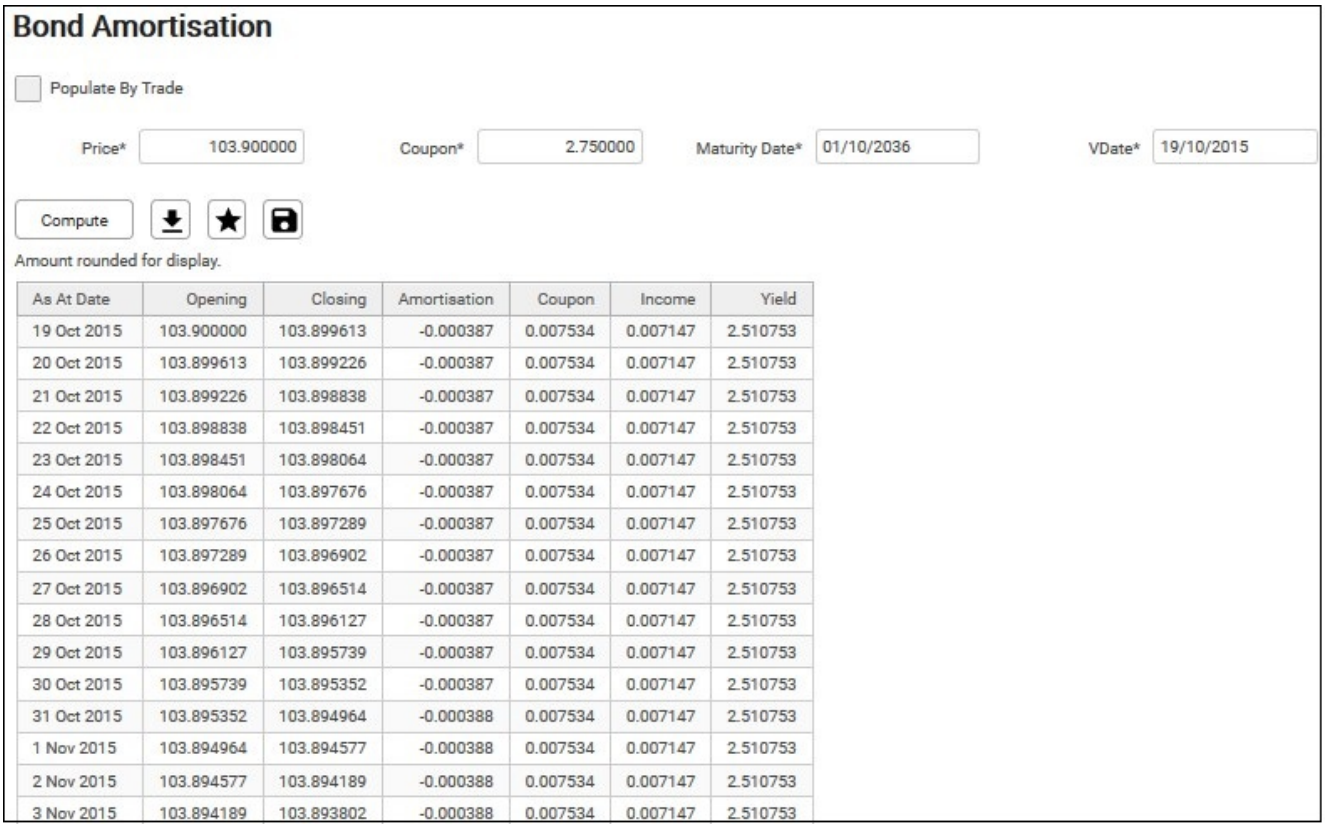
3. Fill out all the mandatory fields below:

- Price – Key in the contract price of the bond purchase.
- Coupon – Key in the coupon rate of the bond security.

– Maturity Date – Key in the maturity date of the bond security.

– VDate – Key in the value date of the bond purchase.

4. Click Compute. The bond amortisation schedule will be displayed.



As At Date	Opening	Closing	Amortisation	Coupon	Income	Yield
19 Oct 2015	103.900000	103.899613	-0.000387	0.007534	0.007147	2.510753
20 Oct 2015	103.899613	103.899226	-0.000387	0.007534	0.007147	2.510753
21 Oct 2015	103.899226	103.898838	-0.000387	0.007534	0.007147	2.510753
22 Oct 2015	103.898838	103.898451	-0.000387	0.007534	0.007147	2.510753
23 Oct 2015	103.898451	103.898064	-0.000387	0.007534	0.007147	2.510753
24 Oct 2015	103.898064	103.897676	-0.000387	0.007534	0.007147	2.510753
25 Oct 2015	103.897676	103.897289	-0.000387	0.007534	0.007147	2.510753
26 Oct 2015	103.897289	103.896902	-0.000387	0.007534	0.007147	2.510753
27 Oct 2015	103.896902	103.896514	-0.000387	0.007534	0.007147	2.510753
28 Oct 2015	103.896514	103.896127	-0.000387	0.007534	0.007147	2.510753
29 Oct 2015	103.896127	103.895739	-0.000387	0.007534	0.007147	2.510753
30 Oct 2015	103.895739	103.895352	-0.000387	0.007534	0.007147	2.510753
31 Oct 2015	103.895352	103.894964	-0.000388	0.007534	0.007147	2.510753
1 Nov 2015	103.894964	103.894577	-0.000388	0.007534	0.007147	2.510753
2 Nov 2015	103.894577	103.894189	-0.000388	0.007534	0.007147	2.510753
3 Nov 2015	103.894189	103.893802	-0.000388	0.007534	0.007147	2.510753

5. You can also choose to populate the bond amortisation schedule by trade ID. Tick on the checkbox for Populate By Trade.

6. Select the accounting centre from the drop down and key in the trade id.

7. Then, click Populate.

8. For more details on computations for constant yield amortisation, click here.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Constant Yield Amortisation

CHANGE HISTORY

Date	By	Changes
19-Sep-2017	Clarissa	Created.
25-Nov-2019	Lyra	Updated Screenshots.