

Aufgabe QR-7.7: Folgebewertung von Sachanlagevermögen

Subsequent valuation of property, plant, and equipment

FILSUM AG bought 3 business cars on 1.01.20X1. The price of acquisition was 42,000.00 EUR/car. FILSUM AG estimates their useful life to be 6 years. Use straight line method for depreciation there is no residual value to be considered. On 1.01.20X4 FILSUM AG learns that the net selling price for new cars the same type cost 45,000.00 EUR. The certified valuer Dr. van Delden suggests to revalue the cars.

Required: Make bookkeeping entries for the revaluation of the cars along the gross replacement method and prepare all bookkeeping entries to recognise the cars as at 31.12.20X4. Prepare for the notes a register of non-current assets and the reconciliation of amounts for the group of 3 cars. The comparative information for the period 20X3 is required. You are to consider an income tax rate to be 30 %.

Lösung: (Solution)

The bookkeeping entries for 20X3 are as below (3 cars):

DR Depreciation	21,000.00 EUR
CR Acc. Depr.	21,000.00 EUR

The balancing figures for the relevant real accounts as at 31.12.20X3 are as below per car:

- P, P, E at cost: 42,000.00 EUR (debit balanced)
- Accumulated depreciation: 21,000.00 EUR (credit balanced)

The bookkeeping entry for the revaluation on 1.01.20X4 is as follows

(1)

DR P,P,E at valuation	135,000.00 EUR
CR Acc. Depr.	4,500.00 EUR
CR P,P,E at cost	126,000.00 EUR
CR Rev. Res.	4,500.00 EUR

(2)

DR Rev. Res	1,350.00 EUR
CR Provision (IAS 12)	1,350.00 EUR

At the end of accounting period 20X4 FILSUM AG has to consider depreciation for the 3 cars. The bookkeeping entries are as below:

(3)

DR Depr.	22,500.00 EUR
CR Acc. Depr.	22,500.00 EUR

(4)

DR Rev. Res.	1,500.00 EUR
CR Retained earnings	1,500.00 EUR

(5)

DR Provisions (IAS 12)	450.00 EUR
CR Rev. Res.	450.00 EUR

See the exhibit below for the accounts:

D			PPE cost			C		
b/d			126.000,00			(1) 126.000,00		

Exhibit 1: Accounts for revaluation as at 31.12.20X4

The required information for the notes is displayed in the register of non-current assets and the reconciliation of amounts.

**Filsum AG's
REGISTER OF NON-CURRENT ASSETS
as at 31.12.20X4**

Item	Cost/ Valuation [EUR]	Acc. Depreciation [EUR]	Acc. Impairment Loss [EUR]	Carrying Amount [EUR]
3 cars	135.000,00	(90.000,00)	0,00	45.000,00

Exhibit 2: Register of fixed assets

RECONCILIATION OF CARRYING AMOUNTS

	20X4	20X3
	[EUR]	[EUR]
Carrying Amount beginning of year	63.000,00	84.000,00
Revaluation	4.500,00	0,00
Impairment loss	0,00	0,00
Depreciation	<u>(22.500,00)</u>	<u>(21.000,00)</u>
Carrying Amount as at 31.12.	45.000,00	63.000,00

Exhibit 3: Reconciliation statement of carrying amounts