

# PP&E

- **Purchase**
- **Construction**
- **Sale**
- **Depreciation**
- **Revaluation**
- **Transfers**



# Property, plant and equipment

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## Purchase of property, plant and equipment

The company purchased property, plant and equipment:

Class:	Land and land improvements	Buildings	Machinery and equipment	Production licenses	Social assets	Total
Including VAT	144,000	480,000	180,000	48,000	36,000	888,000
Value added tax (VAT)	24,000	80,000	30,000	8,000	6,000	148,000
Excluding VAT	120,000	400,000	150,000	40,000	30,000	740,000

Measurement at recognition:

Items of property, plant and equipment shall be measured at their cost of \$740,000.

Statement of financial position	
Non-current assets	Equity
<b>Property, plant and equipment</b> <b>↑ 740,000</b>	Non-current liabilities
Current assets	Current liabilities
<b>VAT recoverable</b> <b>↑ 148,000</b>	<b>Accounts payable</b> <b>↑ 888,000</b>

↑ 888,000

↑ 888,000

Statement of comprehensive income
Statement of profit or loss
X
Statement of other comprehensive income
X

# Property, plant and equipment

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Purchase of property, plant and equipment

## Statement of changes in equity

X

## Statement of cash flows

### Operating activities

Direct method

X

Indirect method

Changes in operating assets and liabilities:  
Increase in VAT recoverable (148,000)  
Increase in accounts payable 148,000

Net cash flows from operating activities 0

## Notes

	Land and land improvements	Buildings	Machinery and equipment	Production licenses	Social assets	Total
<b>Cost</b>						
Additions	120,000	400,000	150,000	40,000	30,000	740,000