

INV PROPERTY

Property held to earn rentals / for capital appreciation or both rather than production of goods, administration or the sale in ordinary course of business



FAIR VALUE

The price that would be received to sell an asset / paid to transfer a liability in an orderly transaction between market participants at measurement date



TOP TIP

Where dual use is in play assess the owner occupied portion for significance and separability. If not significant only apply IAS40



NON INV PROPERTIES

- Property intended for sale in ordinary business
- Owner-occupied
- Property leased under a finance lease



IAS40 - INVESTMENT PROPERTY

IAS40 - IAS2

- Fair value on date of transfer = Cost
- IAS2 - IAS40 - FV - Cost is recognized in profit or loss.



RECOGNITION

- Probable that future economic benefits will flow to the entity
- Cost can be measured reliably
- Cost + Transaction Cost



SUBSEQUENT

- Fair Value Model: Gain / losses goes to profit or loss
- Cost Model: Apply IAS16 principles with a R0 residual value



TRANSFERS

- Cost = The fair value on the date of transfer (IAS40 - IAS16)
- FV = Cost revalued through OCI (IAS16 - IAS40)

