- Machinery

💡 Upward Revaluation - Revaluation gain can be recognized in OCI

💡 Downward Revaluation - Revaluation loss can be recognized in SOPL

Depreciation

Definition > Systematic allocation of the depreciable amount of an asset over its useful life.

When to start the depreciation ?

when the asset is available for use and continues till the asset is derecognized.

Excess depreciation ?

> difference between dep based on the revalued CV of the asset and based on the original cost.

- DR Revaluation Surplus
- CR Retained Earnings

Depreciable amount and depreciation period

residual value and useful life > review > at least at each financial year-end

Depreciation method

- reflect the pattern of asset's future economic benefits
- review > at least at each financial year-end