

The following details relate to two items of property, plant and equipment (A and B) owned by Delta which are depreciated on a straight-line basis with no estimated residual value:

	Item A	Item B
Estimated useful life at acquisition	8 years	6 years
	\$'000	\$'000
Cost on 1 April 2010	240,000	120,000
Accumulated depreciation (two years)	<u>(60,000)</u>	<u>(40,000)</u>
Carrying amount at 31 March 2012	<u>180,000</u>	<u>80,000</u>
Revaluation on 1 April 2012:		
Revalued amount	160,000	112,000
Revised estimated remaining useful life	5 years	5 years
Subsequent expenditure capitalised on 1 April 2013	nil	14,400

At 31 March 2014 item A was still in use, but item B was sold (on that date) for \$70 million.

Note: Delta makes an annual transfer from its revaluation surplus to retained earnings in respect of excess depreciation.

Required:

Prepare extracts from:

- (i) Delta's statements of profit or loss for the years ended 31 March 2013 and 2014 in respect of charges (expenses) related to property, plant and equipment;
- (ii) Delta's statements of financial position as at 31 March 2013 and 2014 for the carrying amount of property, plant and equipment and the revaluation surplus.

The following mark allocation is provided as guidance for this requirement:

- (i) 5 marks
- (ii) 5 marks