

Speculate owns the following properties at 1 April 2012:

Property A: An office building used by Speculate for administrative purposes with a depreciated historical cost of \$2 million. At 1 April 2012 it had a remaining life of 20 years. After a reorganisation on 1 October 2012, the property was let to a third party and reclassified as an investment property applying Speculate's policy of the fair value model. An independent valuer assessed the property to have a fair value of \$2.3 million at 1 October 2012, which had risen to \$2.34 million at 31 March 2013.

Property B: Another office building sub-let to a subsidiary of Speculate. At 1 April 2012, it had a fair value of \$1.5 million which had risen to \$1.65 million at 31 March 2013.

**Required:**

**Prepare extracts from Speculate's entity statement of profit or loss and other comprehensive income and statement of financial position for the year ended 31 March 2013 in respect of the above properties. In the case of property B only, state how it would be classified in Speculate's consolidated statement of financial position.**

Note: Ignore deferred tax. (5 marks)