

Question 3 – Revaluation of Fixed Assets

60

Buildings Account

		£			£
1/1/96	Balance b/d	② 350,000			
1/1/96	Revaluation Res.	② <u>130,000</u>	31/12/96	Balance c/d	480,000
		<u>480,000</u>			<u>480,000</u>
1/1/98	Balance b/d	① 480,000	31/12/98	Balance c/d	800,000
1/1/98	Bank	② 240,000			
	Bank	② 60,000			
	Wages	② <u>20,000</u>			
		<u>800,000</u>			<u>800,000</u>
1/1/99	Balance b/d	800,000	31/12/99	Balance c/d	880,000
1/1/99	Revaluation Res	② <u>80,000</u>			
		<u>880,000</u>			<u>880,000</u>
1/1/00	Balance b/d	880,000	1/1/00	Disposal	④ 528,000
1/1/00	Revaluation Reserve	④ <u>48,000</u>	31/12/00	Balance c/d	400,000
		<u>928,000</u>			<u>928,000</u>

Provision for Depreciation on Buildings Account

		£			£
1/1/96	Revaluation Res.	② 56,000	1/1/96	Balance b/d	④ 56,000
31/12/96	Balance c/d	<u>9,600</u>	31/12/96	Profit and Loss	② <u>9,600</u>
		<u>65,600</u>			<u>65,600</u>
31/12/97	Balance c/d	19,200	1/1/97	Balance b/d	9,600
		<u>19,200</u>	31/12/97	Profit and Loss	② <u>9,600</u>
					<u>19,200</u>
31/12/98	Balance c/d	35,200	1/1/98	Balance b/d	19,200
		<u>35,200</u>	31/12/98	Profit and Loss	② <u>16,000</u>
					<u>35,200</u>
1/1/99	Revaluation Res.	② 35,200	1/1/99	Balance c/d	35,200
31/12/99	Balance c/d	<u>17,600</u>	31/12/99	Profit and Loss	② <u>17,600</u>
		<u>52,800</u>			<u>52,800</u>
1/1/00	Disposal	② 10,560	1/1/00	Balance b/d	17,600
1/1/00	Revaluation Res.	④ 7,040	31/12/00	Profit and Loss	② 8,000
31/12/00	Balance c/d	<u>8,000</u>			
		<u>25,600</u>			<u>25,600</u>
			1/12/01	Balance b/d	8,000

Disposal of Buildings Account

		£			£
1/1/00	Buildings	② 528,000	1/1/00	Depreciation	② 10,560
31/12/00	P & L (Profit)	① <u>32,560</u>	1/1/00	Bank	② <u>550,000</u>
		<u>560,560</u>			<u>560,560</u>

Revaluation Reserve Account

		£			£
1/1/00	Revenue reserve	① 262,800	1/1/96	Land and Buildings	① 130,000
				Provision for Dep	① 56,000
			1/1/99	Land and Buildings	① 80,000
				Provision for Dep	① 35,200
			1/1/00	Land and Buildings	① 48,000
				Provision for Dep	① 7,040

Revenue Reserve Account

		£
1/1/00	Revenue res-buildings	① 262,800