



PASSFR.EU

A Digital Learning Platform for Generation Z:
Passport to IFRS®

IFRS® Standard 5 Non-current Assets Held for Sale and Discounted Operations



KEY DEFINITIONS

COMPONENT OF AN ENTITY

operations and cash flows
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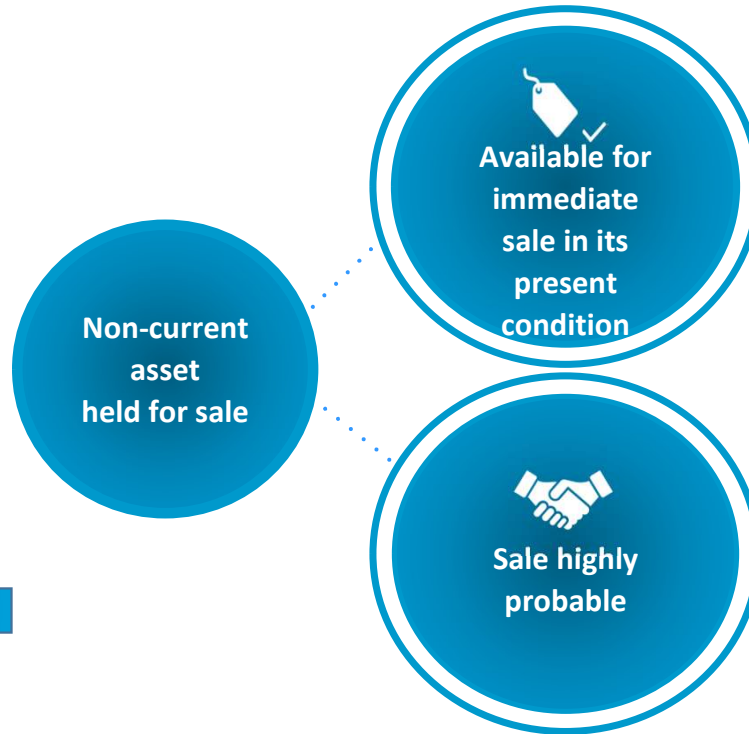
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DISPOSAL GROUP

a group of assets and
liabilities directly associated
with those assets that the
entity intends to dispose of
in a single transaction

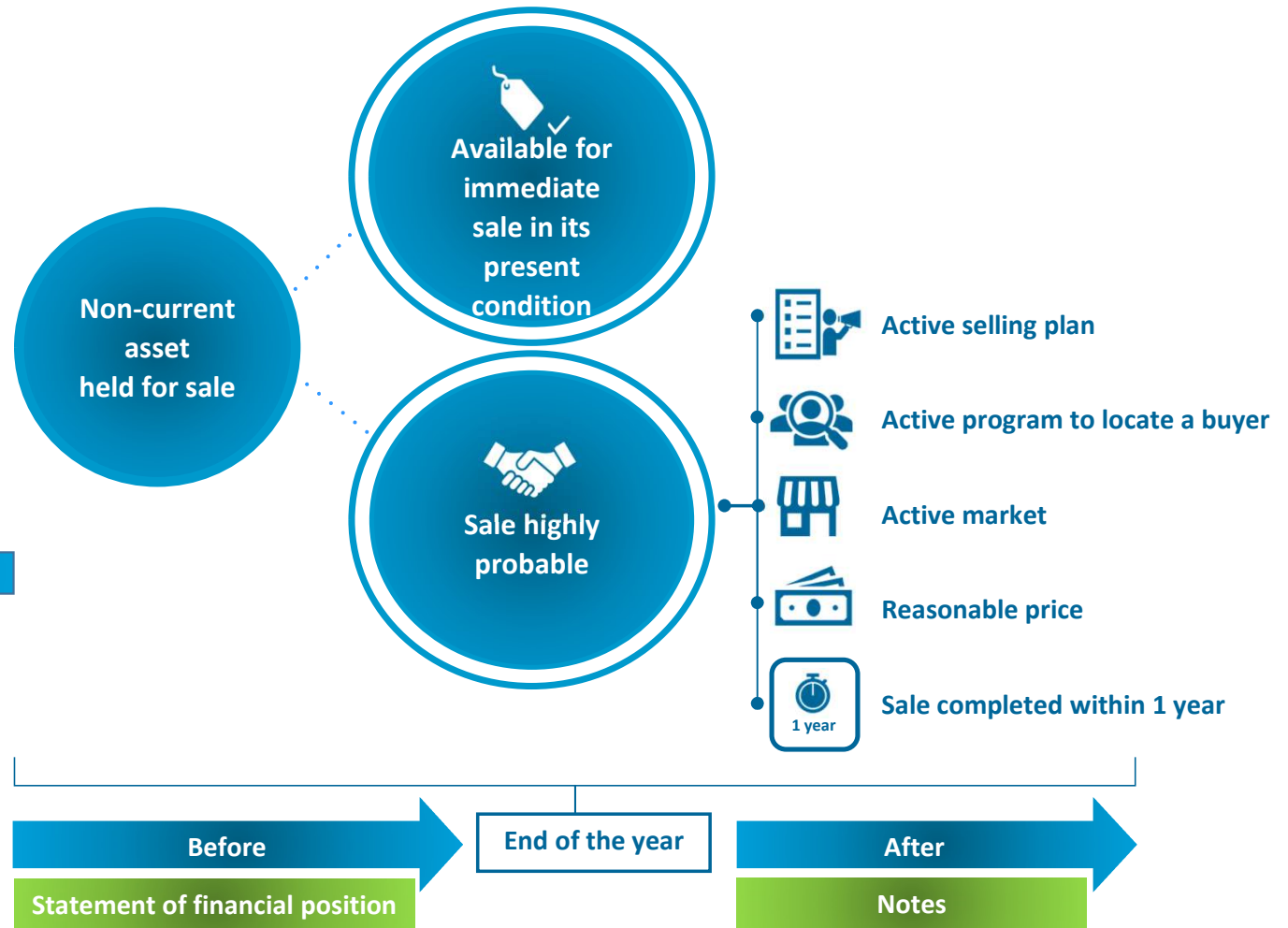
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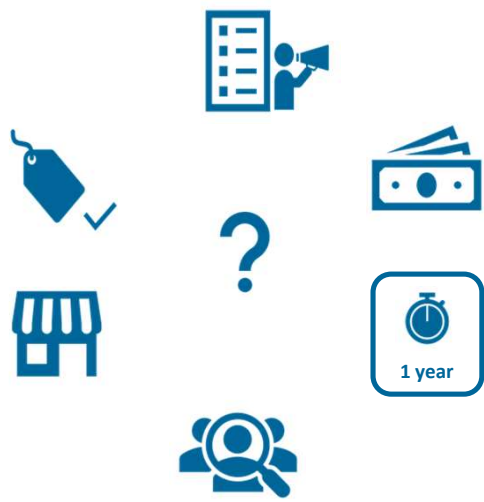


CRITERIA FOR CLASSIFICATION AS HELD FOR SALE




EXAMPLE

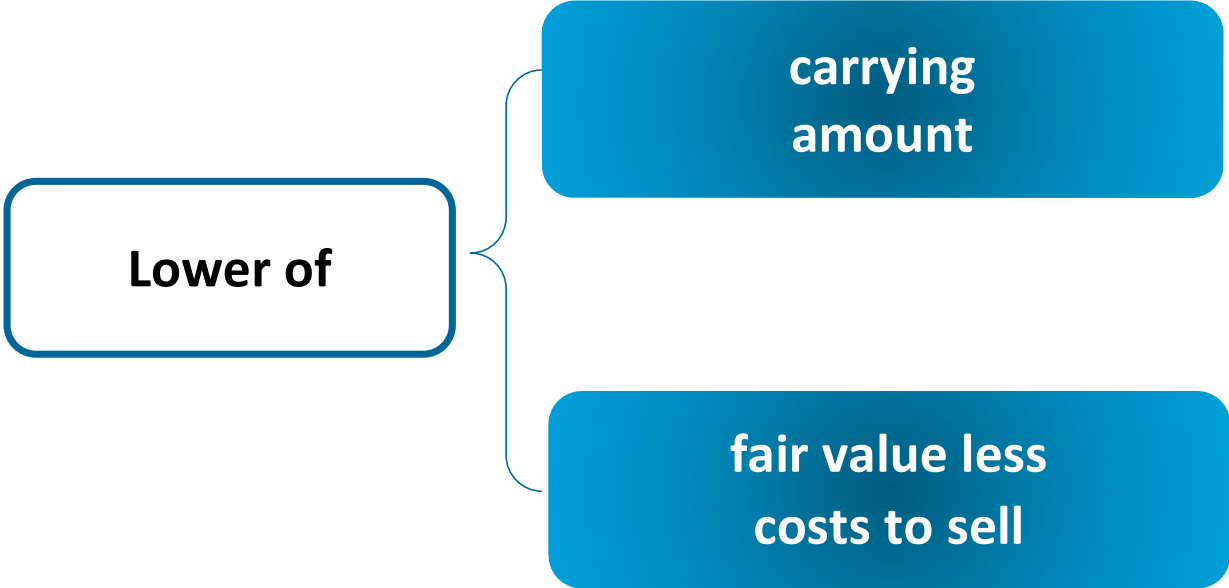
An entity that operates in the automotive industry is committed to sell two of its buildings and has initiated actions to locate a buyer by advertising the sale in a local newspaper.



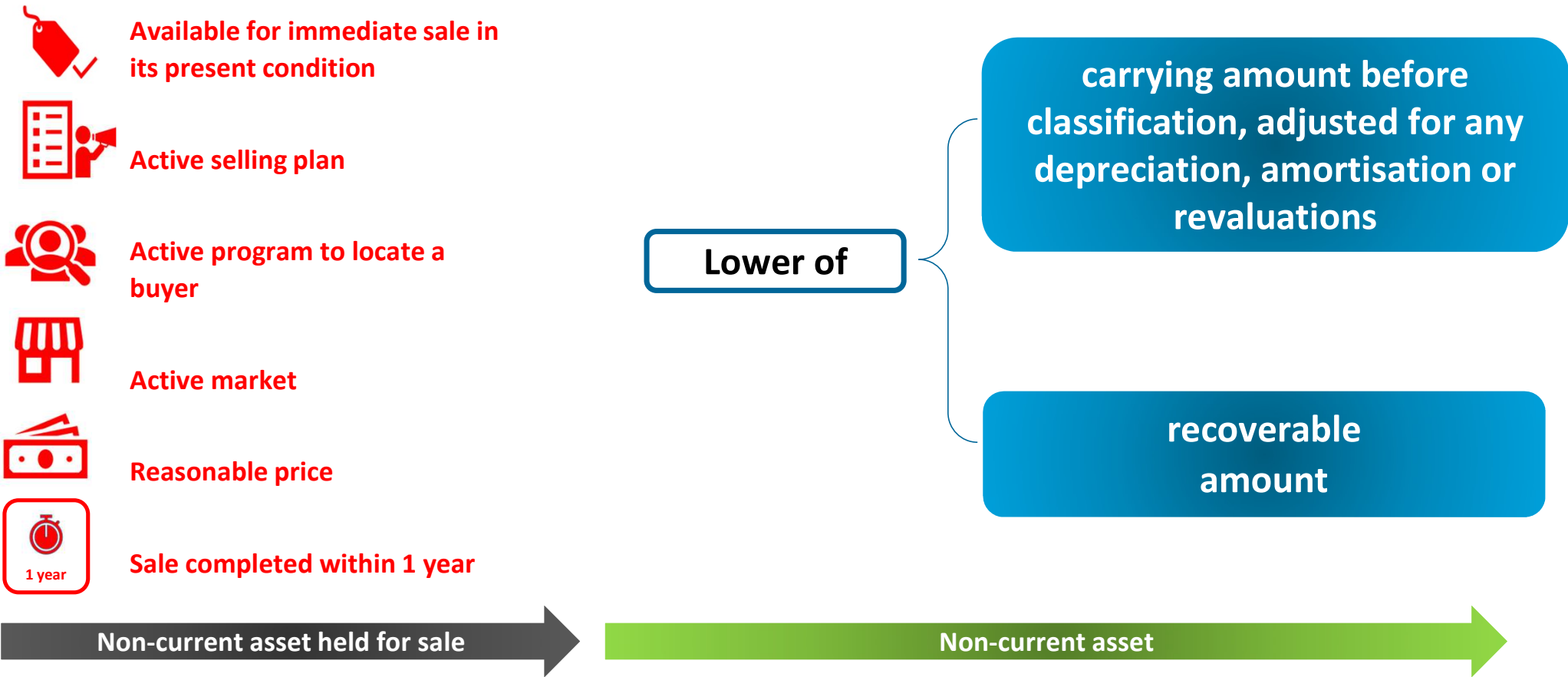
 **The first building is used by the administrative department, and it will be vacated and transferred to a potential buyer only after the settlement of the transaction.**

 **The second building is used by the production department, and it will only be vacated after the end of production cycle in progress.**

MEASUREMENT OF NON-CURRENT ASSETS HELD FOR SALE



CHANGES TO A PLAN TO SELL



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- assets and liabilities included in a disposal group
- any cumulative income or expense recognised in other comprehensive income

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- **continuing operations** - any gain or loss on the remeasurement of a non-current asset held for sale or disposal group
- **discontinuing operations** - revenues, expenses, income tax and result
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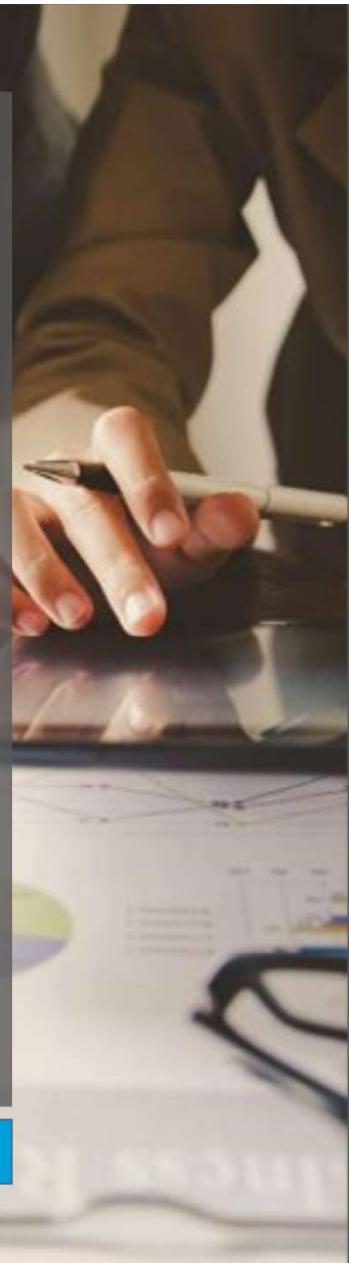
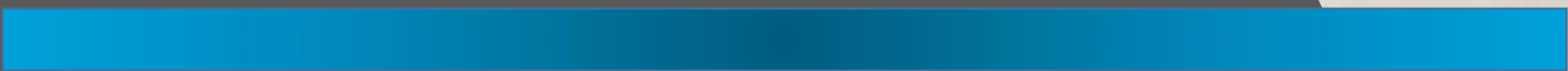
- the non-current asset or the items that are part of the disposal group
 - the facts and circumstances of the sale
- the expected manner and timing of the sale
- the gains and losses recorded as a result of a change in the fair value
 - the facts and circumstances of a decision to change the selling plan

EXAMPLE

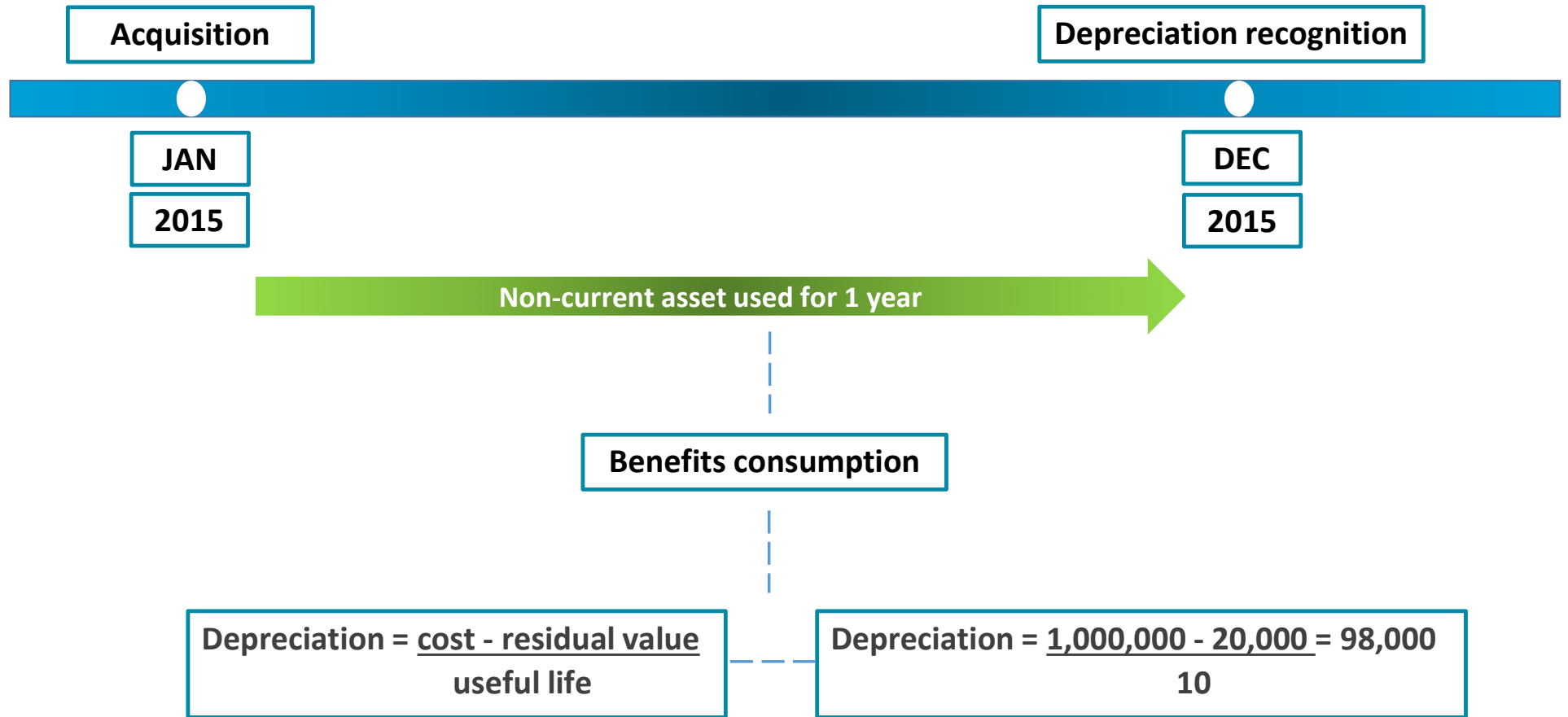
On 1 January 2015, Holden Co. purchased equipment for CU1,000,000. The entity estimated that the asset will be used evenly for ten years and a residual value of CU20,000.

At the end of December 2020, the managers initiated a selling plan. To this end, the entity appointed an agent for CU5,000 to promote the sale and provide assistance in negotiating with potential purchasers. The agent estimated a selling price of CU450,000, based on the current market trends.

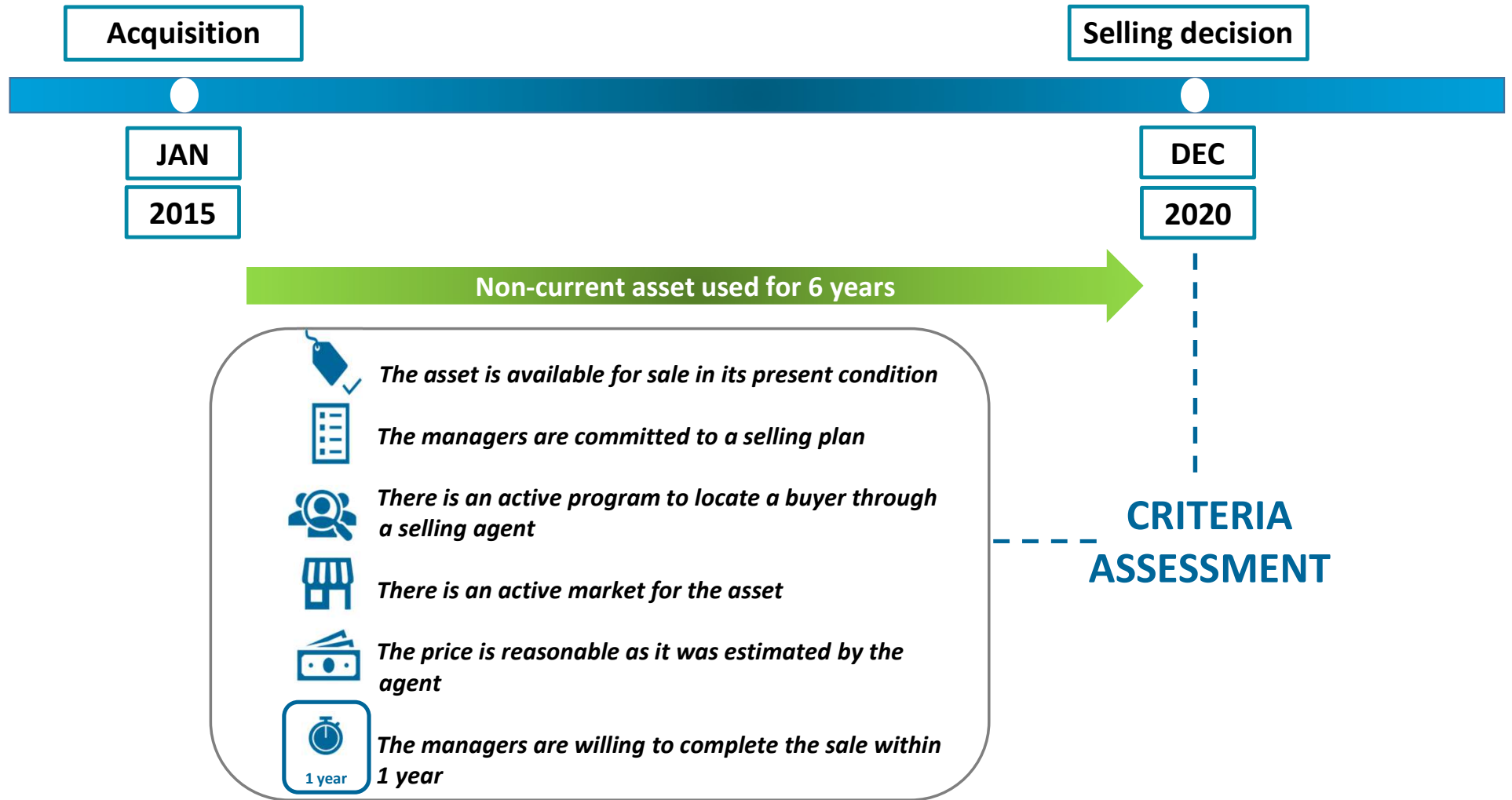
However, no offer was made by the end of December 2021. The agent advises a CU150,000 decrease in the selling price as the market conditions deteriorated. Hence, the managers decided to change their plan as they estimated that the asset can generate additional benefits through its use in the production process, in the amount of CU320,000.



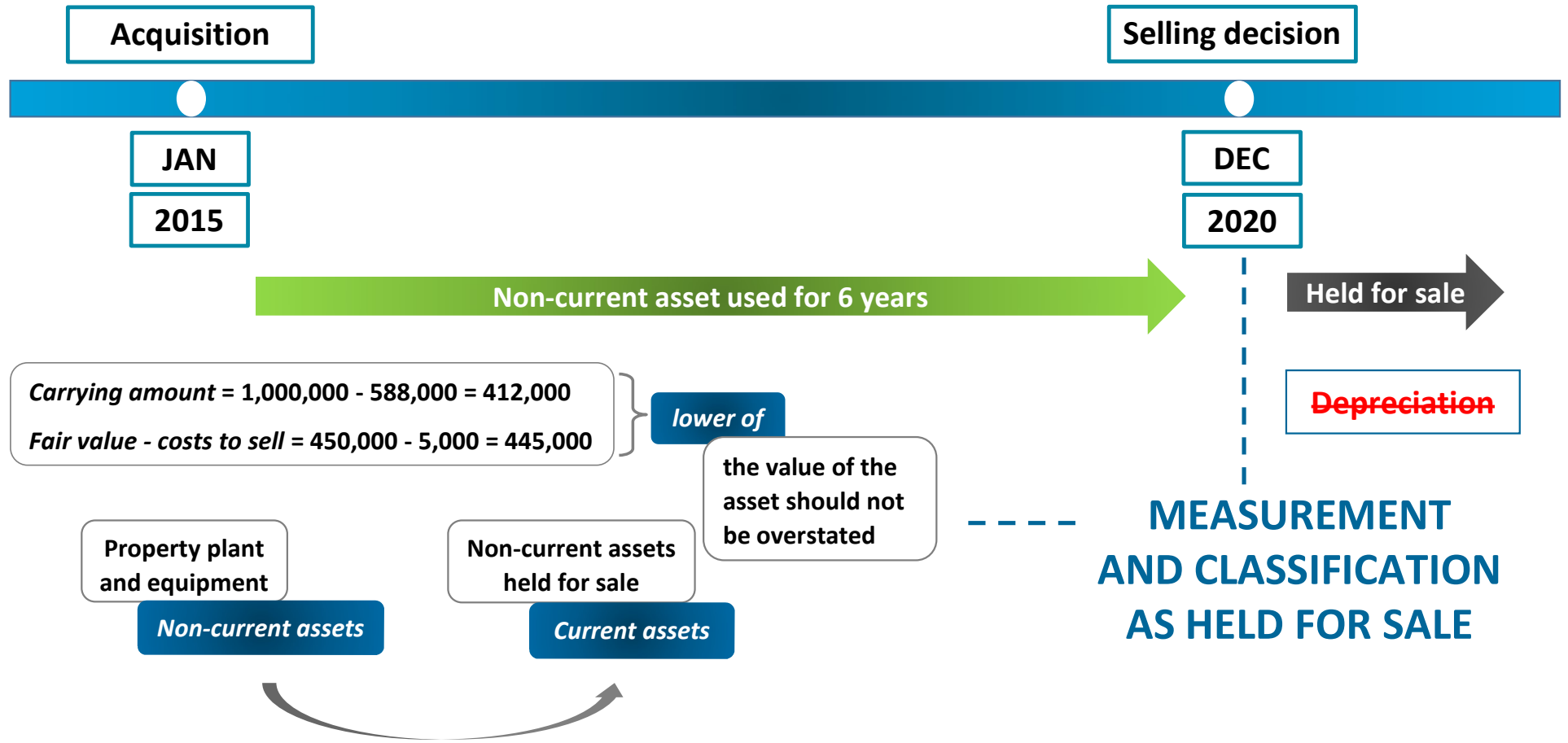
NOTES SOLUTIONS



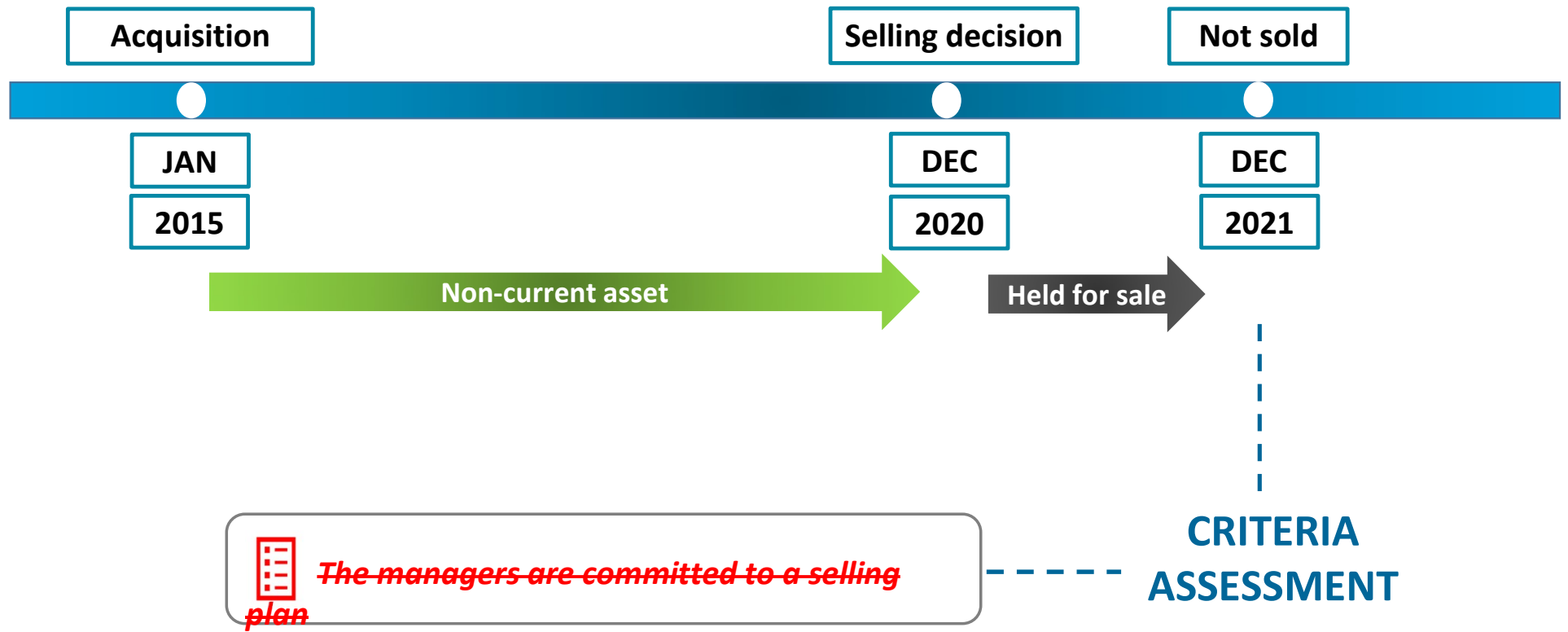
NOTION SOLUTIONS



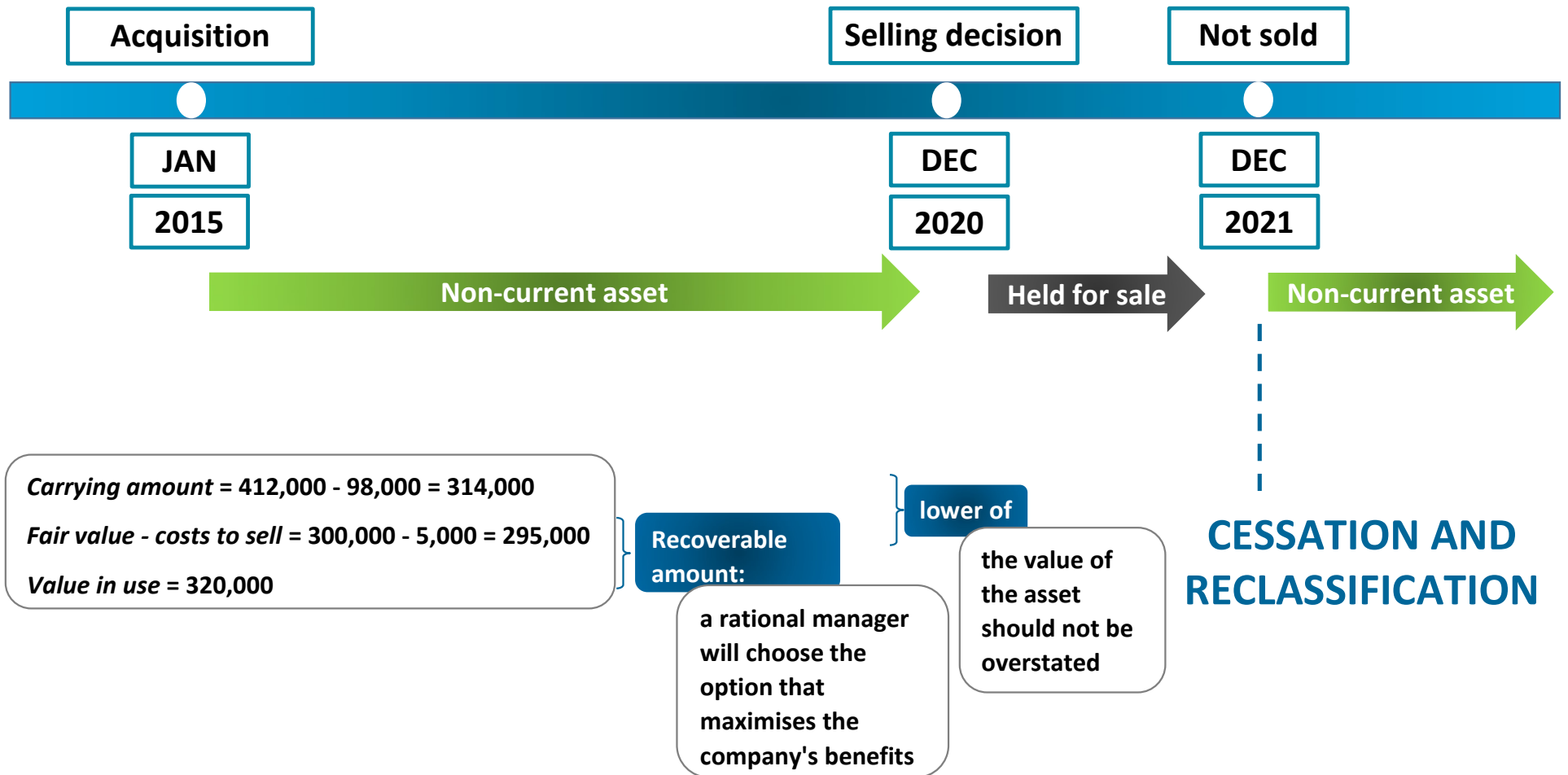
NOTES SOLUTIONS



SOLUTIONS NOTION



NON CURRENT ASSETS





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