
Ihre Ansprechpartner

Sehr geehrte Damen und Herren,

für Rückfragen zu der beigefügten Publikation „In brief“ zur Thematik
„Amendments to classification of bearer plants“
stehen Ihnen folgende Ansprechpartner gerne zur Verfügung:



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In brief

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Amendments to classification of bearer plants

Issue

The IASB has amended IAS 16, '*Property, plant and equipment*', and IAS 41, '*Agriculture*', in relation to bearer plants.

Prior to the 2014 amendments, all biological assets were in the scope of IAS 41 and measured at fair value less costs to sell. Bearer plants will now be accounted for differently to all other biological assets.

The amendments distinguish bearer plants from other biological assets as bearer plants are solely used to grow produce over their productive lives. Bearer plants are seen as similar to an item of machinery in a manufacturing process and therefore will be classified as PP&E and accounted for under IAS 16.

Impact

Accounting for bearer plants

Biological assets that meet the definition of 'bearer plants' are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;*
- (b) is expected to bear produce for more than one period; and*
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.*

Bearer plants are measured at accumulated costs until maturity, similar to the accounting for a self-constructed item of property, plant and equipment.

Accounting for produce growing on bearer plants

Agricultural produce growing on bearer plants remain within the scope of IAS 41 and are measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows.

Effective date and transitional provision

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016. Early application is permitted.

Existing IFRS preparers who measure bearer plants at fair value less costs to sell are permitted to use fair value as deemed cost for these assets upon adoption of the amendments.

Insight

Management should assess if their biological assets meet the definition of bearer plants in the amendments. The classification as bearer plants or other biological assets is critical as it drives the subsequent measurement model.

For those assets which meet the definition of bearer plants, management will need to ensure that their systems are able to capture the costs incurred and consider their policy for determining when these assets are mature.