Land: defer until an external event

MODULE 5 / NO DEPRECIATION REALISATION

Original internal gain is 18,000. Buyer tax base follows transfer price; tax 30%; DTA recognition is supported. No revaluation or impairment intervenes.

Year of internal sale

Dr Gain on land sale	18,000
Cr Land	18,000

Tax on consolidation difference

Dr Deferred tax asset	5,400
Cr Income tax expense	5,400

Later year, still held: combined adjustment

Dr Opening retained earnings	12,600
Dr Deferred tax asset	5,400
Cr Land	18,000

Alternative: later year sold outside the group

Dr Opening retained earnings	12,600
Dr Income tax expense	5,400
Cr Gain on external disposal	18,000

The last two entries are alternative reporting-date outcomes. Do not use both. On external sale the group gain exceeds the buyer's separate gain by 18,000. For depreciable assets, release only the internal gain still unrealised immediately before disposal.

Historical standards (October 2022 study context). AASB 10 B86(c), B94; AASB 112 11, 15, 24, 58. Original Accounting Ahead examples.