

Accounting Paper for Accounting for Vehicles

Vehicles are accounted for in terms of IAS 16 Property, Plant and Equipment as per IFRS International Financial Reporting Standards and FRS 16, the vehicle will be measured at cost value and depreciated over 5 years.

The Vehicles will generate various activities such as use in transporting the electric scooters around. The vehicle documents including date of registration will be included in the company's business folders.

Vehicles will also be liable to income tax as per s11(e) of the income tax act. The onus is on the company to obtain tax registration for the vehicle deductions.

The Vehicle will be included in the company's management accounts.

The vehicle will also be subject to Capital gains tax as per the eighth schedule of the Income Tax Act.

The CGT Rate of a vehicle in South Africa is 18%. GBP1062.342

	Company Asset	Cost of the Asset (Rands)	Cost of the Asset (Pounds)	CGT Amount	Conditio n	Use full Life
1	NP200	142000	5901.911887	1062.342	Good	5