3. Revaluation of Fixed Assets

On 1 January 2004 Lyons Ltd owned freehold buildings which cost €290,000 and adjacent land which cost €210,000. The company depreciates its buildings at the rate of 2% per annum straight line method. It is the company's policy to apply a full year's depreciation in the year of acquisition and no depreciation in the year of disposal. This property had been purchased on 1/1/2000 and depreciation had been charged against profits in each of these four years (land is not depreciated).

The following details were taken from the firm's books:

Jan 1 2004	Re-valued land and buildings at €600,000. Of this revalued amount €240,000 was attributable to land.
Jan 1 2005	Sold for €280,000 land which cost €210,000 but was since re-valued on 1/1/2004.
Jan 1 2006	Purchased buildings for €400,000. During the year 2006, €150,000 was paid to a building contractor for an extension to these recently purchased buildings. The company's own employees also worked on the extension and they were paid wages amounting to €50,000 by Lyons Ltd for this work.
Jan 1 2007	Re-valued buildings owned at €1,056,000 (a 10% increase in respect of each building).
Jan 1 2008	Sold for €420,000 the buildings owned on 1/1/2004. The remaining buildings were re-valued at €750,000.

You are required to:

(a) Prepare the relevant ledger accounts in respect of the above transactions for each of the years ended 31 December 2004 to 31 December 2008.
(Bank Account and Profit and Loss Account **not** required) (55)

(b) Show the relevant extract from the Balance Sheet as at 31/12/2008 (5)

(60 marks)