

ABSTRACT

Biological assets are plant and animal live which have biological transformation. Biological transformation consists of a process of growth, degeneration, production, and procreation that cause qualitative and quantitative changes. Because of the biological transformation, we need a measure that shows the value of those assets naturally based on their contribution in producing the benefits for the company. Standards which arrange the biological asset is IAS 41. This standard measure biological asset based on fair value, no longer uses historical value that has been used previously. The purpose of this study is to apply IAS 41 in financial reports of agriculture companies in Indonesia and also to find the impact of IAS 41 toward profit/loss before tax.

The analysis of this study was conducted using comparative qualitative method through a case study in one of the farm company which is listed in Indonesia Stock Exchange, PT. SAMPOERNA AGRO, Tbk. The data which is used is secondary data from annual report in 2011. The analysis of this data was processed using descriptive quantitative method in order to find the impact of the application of IAS 41 in that company.

The results of this study showed there was no significant different between the measurement, recognition and disclosure of biological assets before and after applied IAS 41 but when IAS 41 was applied there was no confession about the existence of accumulation depreciation so that there is an increase of those biological assets. The measurement of biological assets used fair value so that it is more relevant than today. The biological assets are grouped based on the age of the plant to measure the fair value.

Keywords: *IAS 41, Fair Value, Biological Assets, Agriculture*