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Implementation of PSAK No. 216 Fixed Assets in PT. Hasjrat Abadi (Tendean Branch)

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A B S T R A C T

Fixed assets are tangible assets used in a company's operations with a useful life of more than one year, and their value changes periodically due to depreciation. Examples of fixed assets include land, buildings, machinery, vehicles, and office equipment. This study aims to determine whether the accounting application at PT. Hasjrat Abadi (Tendean Branch) aligns with PSAK No. 216 on Fixed Assets. The research employs a qualitative descriptive approach. The results indicate that the application of fixed asset accounting at PT. Hasjrat Abadi (Tendean Branch) still contains elements that do not comply with PSAK No. 216 on Fixed Assets.

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INTRODUCTION

Companies in Indonesia generally operate in the service, trading, and manufacturing sectors with the main objective of generating profits while contributing to national economic growth through job creation, production of goods and services, and tax payments. In their operations, companies utilize various resources, including fixed assets such as land, buildings, machinery, vehicles, and equipment, which have an economic life of more than one year.

According to **PSAK No. 16 on Fixed Assets**, fixed assets are tangible assets used in operational activities and are not intended for sale. This standard regulates the recognition, expenditure, measurement, depreciation, disposal, presentation, and disclosure of fixed assets in financial statements. Inaccurate valuation of fixed assets can lead to errors in calculating depreciation and profit, which in turn affects the reliability of financial reports.

The relationship between **PSAK No. 16** and tax regulations is also significant because it determines the recognition of asset values and depreciation for tax purposes. Therefore, companies need to apply appropriate accounting practices for fixed assets in accordance with the standards to avoid tax risks and ensure compliance.

PSAK No. 16, which was adopted from International Accounting Standards (IAS), aims to enhance consistency and transparency in financial reporting across Indonesia. Its implementation provides more relevant and credible information for stakeholders, including management, investors, creditors, and other interested parties.

PT Hasjrat Abadi (Tendean Branch) is a company engaged in the sales of Toyota and Yamaha vehicles, as well as offering accessories, genuine spare parts, service facilities, and structured financing options. In its daily operations, the company relies heavily on fixed assets to support its business activities. Therefore, proper management, recording, and depreciation of fixed assets are essential to maintain operational efficiency and ensure the accuracy of financial statements.

THEORETICAL REVIEW

Fixed Assets and Characteristics of Fixed Assets

Fixed assets are long-term tangible assets owned by a company and used to support operational activities such as production, the provision of goods or services, leasing to others, or administrative purposes, with an expected useful life of more than one accounting period.

According to **PSAK No. 16, paragraph 6**, fixed assets are assets that: a) are held for use in the production or supply of goods and services, or for administrative purposes, and may be leased to other parties; and b) are expected to be used for more than one period.

Fixed assets, also referred to as **property, plant, and equipment (PPE)** or **plant assets**, have three main characteristics as stated by Kieso, Weygandt, and Warfield (2019):

1. Acquired for use in operations rather than for resale.
2. Long-term in nature and generally subject to depreciation.
3. Possess physical substance.

Overall, fixed assets serve as essential resources that support a company's operations in achieving its business objectives.

Statement of Accounting Standards No. 16 (PSAK No. 216)

PSAK No. 16 on Fixed Assets, issued by the Indonesian Institute of Accountants (IAI), provides guidelines for accounting treatment of fixed assets to ensure relevant and reliable financial reporting. This standard covers the recognition, measurement, depreciation, derecognition, and disclosure of fixed assets.

1. Objective and Scope

The objective of PSAK No. 16 is to regulate the accounting treatment of fixed assets so that users of financial statements can understand information about a company's investment in fixed assets and the changes therein. The standard applies to all fixed assets unless otherwise specified by other PSAKs.

2. Recognition of Fixed Assets

Fixed assets are recognized based on cost, which represents the cash or fair value of consideration paid to acquire the asset. An item of fixed assets is recognized as an asset when:

a) it is probable that future economic benefits will flow to the entity, and
b) the cost can be measured reliably.

Cost components include the invoice price, freight, insurance, installation, and other expenses necessary to make the asset ready for use.

3. Recording of Fixed Assets

Recording depends on how the asset is acquired:

a) Cash purchase: recorded at the total cost required to make the asset ready for use.
b) Combined purchase: total cost allocated to each asset based on fair value proportion.
c) Installment purchase: recorded at the present value; the difference between installment payments and the cash price is recognized as interest expense.

4. Measurement of Fixed Assets

There are two stages of measurement:

a) At recognition: assets are measured at cost, including all directly attributable costs until the asset is ready for use.
b) After recognition: entities may apply either:
a) Cost model – assets are carried at cost less accumulated depreciation and impairment losses.
b) Revaluation model – assets are carried at revalued amounts, being fair value less subsequent depreciation and impairment losses.

5. Depreciation and Methods

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The expense is recognized in profit or loss. Common methods include:

a) Straight-Line Method – equal expense each year.
b) Diminishing Balance Method – declining expense over time.

c) Units of Production Method – depreciation based on actual usage or output.

6. Derecognition and Disposal of Fixed Assets

Fixed assets may be derecognized through sale, exchange, or damage. The difference between the selling price and the carrying amount is recorded as a gain or loss in the income statement. Specific provisions apply for sale-and-leaseback transactions under PSAK 30.

Overall, PSAK No. 16 emphasizes consistent recognition, measurement, depreciation, and disclosure of fixed assets to ensure that financial statements accurately represent a company's financial condition.

Fixed Assets Reporting

Fixed assets are reported in the statement of financial position (balance sheet), which must be clearly presented to facilitate understanding and assist in managerial decision-making. According to PSAK No. 16, fixed assets are recorded at cost less accumulated depreciation and impairment losses. Asset categories such as land, buildings, and equipment should be presented separately or disclosed in detail in the notes to the financial statements. The financial position statement is usually presented in a stafel format, where the upper section lists assets (debits) and the lower section lists liabilities and equity (credits).

The presentation distinguishes between current assets and fixed assets, showing the net book value of fixed assets after depreciation.

Fixed Assets Disclosure

Disclosure refers to providing additional information in the notes to financial statements, explaining details related to fixed assets.

According to PSAK No. 16 paragraphs 73–74, financial statements must disclose, for each class of fixed assets:

a. The measurement basis used to determine the gross carrying amount.
b. The depreciation methods applied.
c. The useful lives or depreciation rates used.
d. The gross carrying amount and accumulated depreciation (including accumulated impairment losses) at the beginning and end of the period.
e. The reconciliation of the carrying amount from the beginning to the end of the period.

Additionally, financial statements should disclose:

a. The existence and amounts of ownership restrictions and pledged fixed assets.
b. The expenditures recognized for fixed assets under construction.
c. Contractual commitments for the acquisition of fixed assets.
d. Compensation from third parties for impaired, lost, or retired assets included in profit or loss.

Overall, proper reporting and disclosure of fixed assets enhance transparency, accountability, and reliability of financial information, enabling stakeholders to assess a company's financial position and performance more accurately.

METHODOLOGY

Type of Research

The type of research used in this study is a qualitative descriptive approach, which aims to describe and understand the application of PSAK No. 16 (Fixed Assets) at PT Hasjrat Abadi, Tendean Branch. This research method was chosen because it allows a comprehensive description of actual events, situations, and activities related to the research problem. According to Sugiyono (2020), qualitative research is based on post-positivism or interpretive philosophy, used to examine natural objects where the researcher acts as the key instrument. Data collection is conducted through triangulation—a combination of observation, interviews, and documentation—to ensure data validity and depth of analysis.

Research Time and Location

This research was conducted at PT Hasjrat Abadi, Tendean Branch, from March 15, 2025, until the completion of data collection and analysis.

Type, Source, and Data Collection Methods

1. Type of Data

The type of data used in this research is qualitative data, which includes general descriptions, company history, and organizational structure of PT Hasjrat Abadi, Tendean Branch.

2. Data Sources

The primary data in this research were obtained directly from original sources through individual and group interviews and direct observations. Information was collected from key personnel and management at PT Hasjrat Abadi, Tendean Branch.

3. Data Collection Techniques

Data collection techniques are tools used by researchers to obtain relevant information during the research process. The methods employed include:

a. Observation
   Data are collected through systematic observation and recording of phenomena or behaviors related to the research object. Observations may be conducted both directly and indirectly to capture the actual conditions of the company's fixed asset management.
b. Interview
   This technique involves conducting direct interviews with company leaders and relevant staff to obtain information related to accounting policies and practices concerning fixed assets.
c. Documentation
   The documentation method involves gathering written or visual evidence, such as records, reports, and other documents related to the company's fixed assets at PT Hasjrat Abadi, Tendean Branch.

Data Analysis Method and Process

1. Data Analysis Method

The study employs a qualitative descriptive analysis method to describe and evaluate the implementation of PSAK No. 16 (Fixed Assets) at PT Hasjrat Abadi, Tendean Branch. This method aims to present findings systematically and comprehensively based on the actual conditions of the company.

2. Data Analysis Process

The data analysis process was conducted to answer the research problems through several stages:

a. Conducting fieldwork and interviews with relevant personnel to obtain information about the company's fixed asset accounting policies.
b. Collecting supporting data to ensure the accuracy and reliability of the company's fixed asset practices.
c. Analyzing and organizing the collected data from interviews and documentation, and developing conceptual explanations aligned with PSAK No. 16.
d. Comparing the company's fixed asset practices with the provisions of PSAK No. 16 to identify conformity and deviations.
e. Drawing conclusions based on the analysis results and providing recommendations for improvements related to fixed asset management at PT Hasjrat Abadi, Tendean Branch.

RESULTS

Brief History and General Overview of PT Hasjrat Abadi (Tendean Branch)

PT Hasjrat Abadi is a national private company engaged in general trading, primarily in the distribution of Toyota motor vehicles. The company was originally established as CV Hasjrat Abadi on July 31, 1952, in Jakarta, under Notarial Deed No. 12 of 1952 by Sie Kwan Djien, with its main business focusing on selling building materials such as cement, iron, and plywood.

Along with economic development and increasing consumer needs, the company expanded into the automotive sector and established a branch in Manado in 1956, located at Jl. Sisingamangaraja No. 09, Calaca, Manado, officially approved by the Ministry of Justice of the Republic of Indonesia (Decree No. 5/43/13 dated November 2, 1981).

As demand for Toyota vehicles grew and business coverage expanded, the company transformed from a limited partnership (CV) into a limited liability company (PT) to strengthen its capital structure and organizational management. The company's founders were:

1. Mr. Albert Hendrik Palar (on behalf of Rakhel David)
2. Mr. Willy Lontoh

In addition to distributing Toyota vehicles, PT Hasjrat Abadi also trades diesel engines (particularly Yamaha marine engines, both outboard and inboard types) and various building materials such as paint, cement, and home fittings.

Today, PT Hasjrat Abadi is headquartered in Jakarta and operates an extensive branch network across Eastern Indonesia, including Manado, Gorontalo, Palu, Ambon, Jayapura, Kupang, Sorong, and Makassar. The Manado branch is the largest and serves as the main coordination center for most of the company's operations in Eastern Indonesia.

Organizational Structure of PT. Hasjrat Abadi (Tendean Branch)

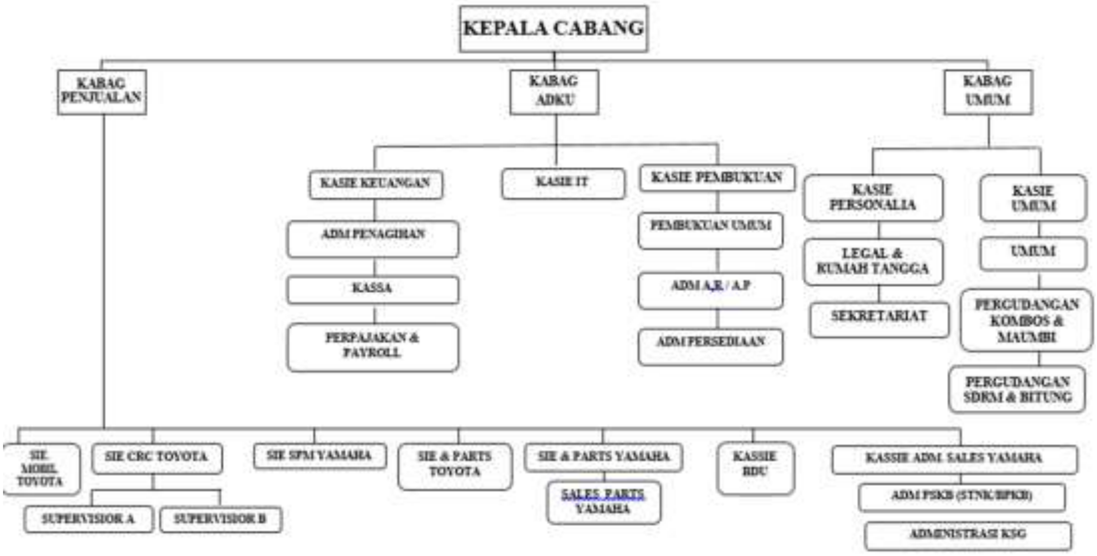

Figure. 1 Organizational Structure of PT. Hasjrat Abadi (Tendean Branch)

Based on interviews and data collection regarding the implementation of PSAK No. 16 on Fixed Assets at PT Hasjrat Abadi (Tendean Branch), it was found that the company's accounting policies serve as the foundation for its financial accounting activities. The accounting period runs annually from January 1 to December 31.

The company's fixed assets are acquired through cash purchases and installment payments, and the classification of inventory refers to the Regulation of the Minister of Finance of the Republic of Indonesia No. 72 of 2023 concerning the categorization of tangible assets. The fixed assets include land, buildings (useful life of 20 years), machinery (8 years), motor vehicles in Group I (4 years), and four-wheeled vehicles in Group II (8 years). Office equipment made of rattan or wood is classified as Group I, while those made of metal are classified as Group II. Additionally, software is also recognized as a fixed asset with a useful life of 8 years.

This research also presents comparison tables to evaluate the conformity between the company's fixed asset accounting policies and procedures and the provisions of PSAK No. 16 on Fixed Assets.

Recognition of Fixed Assets

Fixed assets are recognized at cost, which includes all expenditures incurred to acquire an asset until it is in a location and condition ready for use. At PT Hasjrat Abadi (Tendean Branch), fixed assets are acquired either through cash purchases or monthly installment payments. The company recognizes an item as a fixed asset if its acquisition cost exceeds Rp1,000,000.00, and all fixed assets are measured using the cost model.

Table 1. Fixed Asset List

Fixed Assets	Useful Period
Soil	_
Group 1 Building	20 Years
Group 2 Building	10 Years 10 Months
Group 3 Building	10 Years 09 Months
Group 1 Vehicles	4 Year
Group 2 Vehicles	8 Year
Group 1 Equipment	4 Year
Group 2 Equipment	8 Year
Intangible Asset-Software	4 Year
Intangible Asset-License	4 Year

Fixed Asset Listing

PT Hasjrat Abadi (Tendean Branch) acquires its fixed assets through cash purchases and installment payments. For example, on April 31, 2024, the company purchased one unit of NMAX Turbo operational vehicle for Rp32,399,500 and paid an additional Rp3,000,000 for delivery to the location, both paid in cash.

The journal entry for this transaction is as follows:

(D) Vehicle Rp35,399,500
(K) Cash Rp35,399,500

This journal entry indicates that the company recognizes the total amount paid, including delivery costs, as part of the acquisition cost of the fixed asset, in accordance with PSAK No. 16 on Fixed Assets.

Fixed Asset Measurement

Based on the available data, PT Hasjrat Abadi (Tendean Branch) measures its fixed assets at cost at initial recognition. The cost includes the purchase price and any directly attributable costs necessary to bring the asset to its intended location and condition for use in accordance with management’s objectives.
Fixed assets are classified according to type and useful life, as follows:

a. Two-wheeled vehicles → *Category I*, with a useful life of 4 years.
b. Four-wheeled vehicles → *Category II*, with a useful life of 8 years.
c. Office equipment made of metal → *Category II*.
d. Office equipment made of wood or rattan → *Category I*.
e. Machinery and production equipment → *Machinery assets group*.

For subsequent measurement, PT Hasjrat Abadi (Tendean Branch) applies the cost model, under which fixed assets are recorded at cost less accumulated depreciation.

For example, office equipment in Category I has an initial acquisition cost of Rp160,788,594, with accumulated depreciation of Rp26,181,469 and a useful life of 4 years, resulting in a carrying amount of Rp67,303,562.

Depreciation of Fixed Assets

Depreciation of fixed assets begins when the asset has been acquired and is ready for use. Each period, fixed assets must be depreciated using an appropriate method, such as the straight-line method, declining balance method, or units-of-production method. However, land is not depreciated because it has an indefinite useful life.

At PT Hasjrat Abadi (Tendean Branch), each type of fixed asset is depreciated separately using the double declining balance method. The company records fixed assets at cost less accumulated depreciation.

For example, the purchase of one unit of KEB cable for panel L1 installation on February 28, 2018, costing Rp81,127,220 with a useful life of 8 years, is depreciated as follows:

a. Depreciation for 2018
   = [(100% / 8) × 2] × 11/12 × Rp81,127,220
   = Rp18,591,654
b. Depreciation for 2025
   = [(100% / 8) × 2] × (Rp14,839,982 – Rp3,709,996)
   = Rp2,782,497

A detailed annual depreciation schedule for the KEB installation cable unit is presented in the company's depreciation table.

Table 2. Shrinkage of LI panel installation KEB cable unit

Year	Early Year Book Value	Tariff	Annual Depreciation	Accumulated Depr. Year-End	Year-End Book Value
2018	Rp. 81.127.220	25%	Rp. 18.591.654	Rp. 18.591.654	Rp. 62.535.566
2019	Rp. 62.535.566	25%	Rp. 15.633.892	Rp. 34.225.546	Rp. 46.901.674
2020	Rp. 46.901.674	25%	Rp. 11.725.419	Rp. 45.950.965	Rp. 35.176.255
2021	Rp. 35.176.255	25%	Rp. 8.794.064	Rp. 54.745.029	Rp. 26.382.191
2022	Rp. 26.382.191	25%	Rp. 6.595.548	Rp. 61.340.577	Rp. 19.786.643
2023	Rp. 19.786.643	25%	Rp. 4.946.661	Rp. 66.287.238	Rp. 14.839.982
2024	Rp. 14.839.982	25%	Rp. 3.709.996	Rp. 69.997.234	Rp. 11.129.986
2025	Rp. 11.129.986	25%	Rp. 2.782.497	Rp. 72.779.731	Rp. 8.347.489

(Source : Data Processing Results, 2025)

Based on Table 4.2 regarding the depreciation of the KEB cable unit for panel L1 installation at PT Hasjrat Abadi (Tendean Branch), the company applies the double declining balance method, resulting in a depreciation amount of Rp2,782,497. This result aligns with the researcher's calculation, indicating that the company has appropriately applied accounting policies in allocating its fixed asset depreciation expenses.

Table 3. Depreciation of Fixed Assets of PT. Hasjrat Abadi (Tendean Branch)

Uraian	**Saldo Awal 01/01-2025**	**Penambahan**	**Pengurangan**	**Saldo Akhir 31/01-2025**
Harga Perolehan				
Tanah	Rp. 30.902.255.500	-	-	Rp. 30.902.255.500
Bangunan	Rp. 34.249.399.512	-	-	Rp. 34.249.399.512
Mesin-Mesin	Rp. 3.183.619.712	-	-	Rp. 3.183.619.712
Kendaraan Bermotor	Rp. 4.776.024.161	-	-	Rp. 4.776.024.161
Peralatan Kantor Kel. I	Rp. 6.115.083.982	-	-	Rp. 6.115.083.982
Peralatan Kantor Kel. II	Rp. 6.832.887.432	Rp. 40.352.000	-	Rp. 6.873.239.432
Software	Rp. 612.784.913	-	-	Rp. 612.784.913
BOT	Rp. 45.063.765.696	-	-	Rp. 45.063.765.696
Total Harga Perolehan	**Rp. 131.735.820.907**	**Rp. 40.352.000**	**-**	**Rp. 131.776.172.907**
Akumulasi Penyusutan				
Bangunan	Rp. 6.601.689.511	Rp. 142.705.831	-	Rp. 6.744.395.342
Mesin-Mesin	Rp. 2.968.382.529	Rp. 8.197.528	-	Rp. 2.976.580.057
Kendaraan Bermotor	Rp. 2.322.976.933	Rp. 53.396.747	-	Rp. 2.376.356.680
Peralatan Kantor I	Rp. 5.407.00.283	Rp.32.439.525	-	Rp. 5.439.439.828
Peralatan Kantor II	Rp. 4.047.599.021	Rp. 60.619.077	-	Rp. 4.108.218.097
Software	Rp. 604.815.382	Rp. 459.092	-	Rp. 605.274.473
BOT	Rp. 45.063.765.696	-	-	Rp. 45.063.765.069
Total Nilai Buku	**Rp. 67.016.229.355**	**Rp. 297.790.819**	**-**	**Rp. 67.314.020.174**

(Source : PT. Hasjrat Abadi (Tendean Branch)

Disposal and Derecognition of Fixed Assets

Fixed assets that have reached the end of their economic useful lives must be written off or disposed of. Disposal can occur through sales, exchanges, or when the asset becomes unusable. At **PT Hasjrat Abadi (Tendean Branch)**, fixed assets that have expired but are still functional continue to be recognized as company assets and remain in use. They are only removed from the asset list once they are damaged beyond use.

Fixed Asset Reporting

In its financial statements, PT Hasjrat Abadi (Tendean Branch) presents each type of fixed asset separately—such as land, buildings, vehicles, machinery, and office equipment—at cost less accumulated depreciation. This presentation complies with PSAK No. 216 on Fixed Assets, as it discloses each asset category individually and shows the net book value in the company's statement of financial position.

Table 4. The Financial Position Report of PT. Hasjrat Abadi (Tendean Branch)

Description	**2025**
Soil	Rp. 30.902.255.500
Building	Rp. 34.249.399.512
Machine	Rp. 3.183.619.712
Vehicle	Rp. 4.776.024.161
Office Inventory	Rp. 12.947.971.414
BOT	Rp. 45.063.765.696
Accumulated Soil Shrinkage	0
Building Shrinkage Accumulation	Rp. 6.601.689.511
Accumulated Shrinkage of Machines	Rp. 2.968.382.529
Accumulated Motor Vehicle Depreciation	Rp. 2.322.976.933
Office Inventory Accumulation	Rp. 9.454.599.304
BOT Shrinkage Accumulation	Rp. 45.063.765.696
Total Fixed Assets	**Rp. 197.534.449.968**

(Source : PT. Hasjrat Abadi (Tendean Branch)

Disclosure of Fixed Assets

The main purpose of preparing financial statements is to present accurate, relevant, timely, and transparent information to users of financial statements. This disclosure does not include any public or private statements made by management or other information outside the financial statements.

In the disclosure of fixed assets in the financial statements, PT Hasjrat Abadi (Tendean Branch) determines that the basis for measuring fixed assets is cost, which includes the purchase price and additional costs that can be directly attributed to bringing the asset to the desired location and condition so that it is ready for use. Depreciation of fixed assets begins when the asset is ready for its intended use. The company applies both the straight-line method and the declining balance method in calculating depreciation expenses, taking into account the shorter period between the estimated useful life of the asset and the applicable concession period.

The useful lives of fixed assets at PT Hasjrat Abadi (Tendean Branch) are determined based on the type of asset owned. Land is not depreciated because it has an indefinite useful life. Buildings have useful lives ranging from ten to twenty years, vehicles between four and eight years, and office equipment between four and eight years depending on the material and type of use. Intangible assets such as software and licenses have a useful life of four years.

Each asset is recorded separately and in detail in the notes to the financial statements under its respective account. The notes disclose the gross carrying amount and accumulated depreciation at the beginning and end of the period, as well as explain changes in the value of fixed assets from one period to the next. Reporting of fixed assets is carried out at the end of the year or accounting period, on December 31, 2025.

Therefore, it can be concluded that the disclosure of fixed assets at PT Hasjrat Abadi (Tendean Branch) is in accordance with PSAK No. 16 on Fixed Assets, where all information related to measurement, depreciation, and presentation of fixed assets is presented clearly and consistently.

DISCUSSION

In general, PT. Hasjrat Abadi Tendean Branch implements a fixed asset accounting policy that is consistent with PSAK principles. For recognition, the company recognizes fixed assets based on acquisition costs and measures the initial assets at the total costs incurred until the assets are ready to be used, so that the initial measurements conform to the standard provisions. However, there is a practical difference in the recognition threshold: the company sets a minimum cost of acquisition limit of Rp1,000,000.00 to classify items as fixed assets, a policy that is not yet fully aligned with the PSAK which emphasizes the characteristics of the asset's function and useful life, rather than just nominal value.

In the record, PT. Hasjrat Abadi noted that the acquisition of cash assets and installments is in accordance with the principles set by PSAK, namely capitalizing all costs that can be attributed directly to ready-to-use assets and recognizing the purchase of installments at cash value while the difference is charged as interest during the installment period. Measurement after recognition is also carried out with a cost model; assets are recorded at acquisition costs minus accumulated depreciation, in line with the provisions of PSAK. Companies group assets by type and assign different useful lives according to their characteristics (e.g., two-wheelers, four-wheelers, buildings, machinery, inventory), and recognize initial costs including direct surcharges—this practice is consistent with the initial measurement requirements and cost attributes in the standard.

Regarding depreciation, PT. Hasjrat Abadi applies depreciation separately for each component of the asset (except land) and practically uses the double decreasing balance method; This is in accordance with the PSAK which allows several methods (straight lines, declining balances, production units) as long as they are applied consistently and reflect the consumption patterns of the economic benefits of the asset. The company also presents accumulated depreciation as a deduction to the value of assets, so that the book value is recorded in accordance with the provisions.

In the aspect of termination of recognition, there is a difference in practice: PSAK requires the termination of recognition when assets are released or when they are no longer expected to provide economic benefits in the future, while in PT. Hasjrat Abadi Tendean Branch assets whose useful life has expired are still recorded and used when the condition is still feasible, only deleted when they are completely damaged. Although the company's policy differs in the practice of deletion, the final result of disclosure and accounting treatment is considered to be still in line with the objectives of PSAK, provided that the company explains the policy in the notes to the financial statements.

Finally, in reporting and disclosure, the company has presented fixed assets in the financial position statement of acquisition costs minus accumulated depreciation and disclosed important information in the notes on the financial statements, including the basis of measurement, depreciation method, useful life, gross recorded amount and accumulated depreciation at the beginning and end of the period, as well as reconciliation of changes in recorded amounts. This indicates a good level of compliance with the PSAK disclosure requirements.

Overall, the implementation of fixed asset accounting at PT. Hasjrat Abadi (Tendean Branch) can be considered to have complied with PSAK in terms of recording, measurement, depreciation, reporting, and disclosure, with special notes on the practice of the recognition threshold and the policy of termination of recognition that requires adjustments or more detailed explanations in the notes on the financial statements to be fully in line with the principles of PSAK. If you want, I can summarize it into one short paragraph to put directly into the report or add a brief policy recommendation for improvement.

CONCLUSIONS AND RECOMMENDATIONS

This study, entitled *"Implementation of PSAK No. 16: Fixed Assets at PT. Hasjrat Abadi (Tendean Branch)"*, aims to examine the extent to which the company's accounting practices comply with the provisions of PSAK No. 16. The findings indicate that, in general, PT. Hasjrat Abadi (Tendean Branch) has implemented PSAK No. 16 in its fixed asset accounting, although several aspects are not yet fully aligned with the standard.

The main inconsistency lies in the recognition of fixed assets, where the company recognizes only assets with an acquisition cost of more than Rp1,000,000.00 as fixed assets. This approach does not fully comply with PSAK No. 16, which emphasizes the asset's function and useful life rather than its monetary value. On the other hand, the company's measurement of fixed assets is in accordance with PSAK No. 16, as it is based on historical cost. The recording of both cash and installment purchases is also consistent with the standard. The company applies the declining balance method for depreciation, which is in line with PSAK No. 16, except for land, which is not depreciated.

Regarding derecognition and disposal, there is a difference where the company continues to recognize assets whose useful lives have ended as long as they remain functional, while PSAK No. 16 provides more specific guidance for derecognition. In terms of reporting, PT. Hasjrat Abadi (Tendean Branch) presents its fixed assets in the financial statements at book value, consistent with PSAK No. 16. Furthermore, the disclosure of information about fixed assets in the financial statements has also met the requirements of the standard.

Therefore, it can be concluded that PT. Hasjrat Abadi (Tendean Branch) has generally implemented PSAK No. 16 properly and in accordance with applicable accounting standards, although minor adjustments are still needed for full compliance.

Suggestions

PT. Hasjrat Abadi (Tendean Branch) should recognize all fixed assets acquired by the company, regardless of their acquisition cost. As long as the asset is used in production, leased out, or used for administrative purposes, and has a useful life of more than one year, it should be recognized as a fixed asset even if its acquisition cost is less than Rp1,000,000.00. The company should also adjust its policies on the recognition and derecognition of fixed assets to achieve full compliance with the prevailing accounting standards.

FURTHER STUDY

Every research is subject to limitations; thus, you can explain them here and briefly provide suggestions to further investigations.

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