*International Journal of Arts Humanities and Social Sciences Studies*
*Volume 8 Issue 12 ǁ December 2023*
*ISSN: 2582-1601*
*www.ijahss.com*

# Model Of Accounting Treatment of Biological Assets in Cultural Fisheries Businesses Based On Psak 69 (Case Study on Ud Bless Msmes)

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***Abstract**: There are still many MSMEs operating in the aquaculture sector who do not understand the records related to biological assets. There are even those who have not consistently prepared financial reports for the businesses they run. This research aims to build a model for the accounting treatment of biological assets in aquaculture based on PSAK 69. The treatment of biological assets needs to be done more deeply and differently from the treatment of other fixed assets. By carrying out analysis related to the accounting treatment of biological assets in aquaculture, it is hoped that it will help business owners to record financial transactions appropriately, transparently and accurately so that they can produce reliable financial reports for making economic decisions. The type of research used in this research is a type of qualitative research that uses case study method. The result of this research is a model for the accounting treatment of biological assets in the UD Bless aquaculture business*

***KEYWORDS** - MSMEs, Accounting Treatment, Biological Assets, PSAK 69.*

## I. Introduction

Aquaculture is a world food and seafood production sector that is growing rapidly. The growing growth of the aquaculture sector will have an impact on the availability of fish supplies in the fisheries system for food, creating jobs, keeping fish at a price level suitable for consumers, and preserving the diversity of fish species in Indonesia. (Ministry of Maritime Affairs and Fisheries, 2022) Aquaculture is a form of human intervention in increasing aquatic productivity. With cultivation activities, fish can be produced in a controlled medium which can provide benefits to farmers if used optimally (Tindaresa & Faizin, 2021). Data from the Ministry of Maritime Affairs and Fisheries (KKP) reports that total fish production reached 17.76 million tons from the first quarter - third quarter of 2022. This figure has reached 68.07% of the fish production target for 2022. The KKP has also succeeded in realizing State Revenue. Non-Tax (PNBP) 2022 will reach 1.8 trillion, the highest since 2014. The contribution of the maritime and fisheries sector to national gross domestic product (GDP) is 2.54 percent. In more detail, fisheries production in the third quarter of 2022 increased by 6.50 percent compared to aquaculture production in the third quarter of 2021 (Ministry of Maritime Affairs and Fisheries, 2022). This proves that the marine and fisheries sector in Indonesia is growing positively from year to year. One type of aquaculture that is used as a field for business is the cultivation of tilapia fish. Tilapia fish are included in the category of biological assets, namely animals that have undergone biological transformation. Biological assets have unique characteristics because they undergo biological transformation consisting of processes of growth, degeneration, production and procreation which cause qualitative and quantitative changes in animal and plant life (Indonesian Institute of Accountants, 2022), can produce new assets which are realized in agricultural produce or in the form of additional biological assets in the same class. Because they undergo biological transformation, measurements are needed that can show the value of these assets fairly according to their contribution in generating a flow of economic profits for the company (Rosmawati & Ishak, 2019). Managing inventory in the form of living creatures or biological assets requires a deeper understanding of accounting. This is because there are differences in recognition, measurement and disclosure between ordinary assets and biological assets (Guna & Wulandari, 2018). Biological assets cannot be depreciated immediately after their acquisition, so this is different from calculating fixed assets such as buildings, equipment, etc. The characteristics of biological assets that are different from other assets require correct treatment so that there is no misrepresentation of financial information. Biological assets are assets that can undergo transformation even after producing output. This is what differentiates biological assets from other assets. In biological assets, measurements are needed for the company so that the results obtained are presented fairly and are able to provide benefits for the company. The recording, recognition, measurement and disclosure of biological assets is

regulated in Statement of Financial Accounting Standards No. 69 concerning agriculture. The purpose of PSAK 69 is to regulate accounting treatment and recognition related to agriculture. It is hoped that PSAK 69 can help agricultural companies to produce higher quality information that can help users make more precise decisions and can also increase company accountability (Nugraha & Wirjolukito, 2019). The results of previous research conducted by (Wardhani, 2021) in the plantation industry found that the accounting treatment of biological assets was in accordance with PSAK 69. These findings were supported by (Anggraini & Hastuti, 2020) and (Nugraha & Wirjolukito, 2019). On the other hand, the research results ( Rosmawati & Ishak, 2019), (Wiratno et al., 2021), and (Zerlinda et al., 2020) found that the Biological Asset Accounting Treatment for live plants or animals is still not optimal and not in accordance with PSAK 69. UD. Bless is a micro, small and medium enterprise (MSME) whose main activity is cultivating and selling freshwater fish. The fish cultivated is the Tilapia fish (Oreochromis Mossambicus). Based on PSAK 69, UD Bless needs to pay attention to the accounting treatment of the main asset it owns, namely tilapia fish which is classified as a biological asset. The results of observations carried out at UD Bless found that the entity did not record biological assets appropriately. Business actors do not keep records at the initial recognition of assets and at the end of the reporting period. The entity does not have data on the group of biological assets it owns based on age or quality, so that fair value measurements of assets cannot be carried out. This has an impact on the recognition, measurement and disclosure of financial reports in accordance with applicable accounting standards. Based on the above phenomena and differences in previous research results, the author was interested in conducting research at UD Bless regarding the accounting treatment and disclosure of biological assets based on PSAK 69. (Kartikahadi, et al., 2016) explains in his book Financial Accounting Based on IFRS-Based SAK that financial reports can be said to be a structured presentation of the financial position and financial performance of an entity. The purpose of financial reports is to provide information about the financial position, financial performance and cash flows of an entity that is useful for most users of financial reports in making economic decisions. Financial reports are also a form of management responsibility for the use of resources that have been entrusted to manage an entity. Thus, financial reports are not intended for special purposes, for example in the context of liquidating an entity or determining the fair value of an entity for the purposes of mergers and acquisitions. It is also not specifically prepared to meet the interests of a particular party, for example the majority owner. Owners are holders of instruments classified as equity (Kartikahadi, et al., 2016). Statement of Financial Accounting Standards (PSAK) No. 69 Agriculture defines biological assets as live animals or plants in agricultural activities (PSAK, 2022: 69). According to (Arimbawa, 2016) biological assets undergo transformation starting with growth, degeneration, production and procreation. During this transformation period, biological assets experience changes both in quantity and quality. Examples of biological assets are assets of living creatures such as plants or animals. From these biological assets, biological asset products will be produced, and usually there are additional biological assets. Biological transformation is what is the main characteristic of biological assets and what differentiates them from other fixed assets. Biological transformation consists of processes of growth, degeneration, production and procreation which result in qualitative and quantitative changes in biological assets (PSAK, 2022: 69). Biological assets can also be classified into mature biological assets or immature biological assets. Yielding biological assets are biological assets that have reached specifications for harvesting (for consumable biological assets) or are capable of producing sustainable harvests (for productive biological assets). Immature biological assets can be defined as biological assets that are still in their infancy and are not yet mature or have not yet entered productive age. Recognition and Measurement. An entity recognizes a biological asset or agricultural product if, and only if; the entity controls biological assets as a result of past events; it is probable that future economic benefits associated with the biological asset will flow to the entity; and the fair value or acquisition cost of biological assets can be measured reliably (Indonesian Institute of Accountants, 2022). Biological assets are measured at initial recognition and at the end of each reporting period at fair value less costs to sell, except for cases where the fair value cannot be measured reliably then biological assets are measured using cost less accumulated depreciation and accumulated impairment losses. Cases where biological assets cannot be measured reliably occur because at the time of initial recognition of the biological asset the quoted market price was not available and alternative fair value measurements were clearly unreliable (Anggraini & Hastuti, 2020). Disclosure. An entity shall disclose the combined gain or loss arising during the period on initial recognition of biological assets and agricultural products, and from changes in fair value less costs to sell biological assets. Entities describe each group of biological assets (Indonesian Institute of Accountants, 2022).

## II. Research Methodology

The type of research used in this research is qualitative research. According to (Sugiono, 2014), qualitative research is a research method based on postpositivism or interpretive philosophy, used to research the conditions of natural objects, where the researcher is the key instrument, data collection techniques are carried out by triangulation (a combination of observation, interviews, documentation) , the data obtained tends

to be qualitative data, data analysis is inductive/qualitative, and the results of qualitative research are to understand meaning, understand uniqueness, construct phenomena, and find hypotheses. Stage 1 the research team determines the research problem, research objectives and develops a research plan. Researchers conducted an initial survey and interviews at UD. Bless for getting initial data as a source for problem formulation, objectives and research design. The research team also conducted a literature review of SAK EMKM, PSAK no. 69. Design concepts for preparing financial reports and several literature and articles related to accounting treatment for MSMEs. Stage 2, Based on the literature review, researchers designed interview questions and questionnaires as well as document studies related to activities and business scope to identify data on biological assets, accounting records carried out by MSMEs and forms of financial reports in MSMEs. To collect data, researchers conducted field research. The research team also conducted document studies related to activity documents and accounting records as well as financial and tax reporting. Stage 3, data analysis stages using the analysis stages of Miles and Huberman (2014), namely data reduction, data presentation and drawing conclusions. Researchers carry out data reduction on the data collected according to the research topic. Based on the results of data reduction, researchers present themes related to recognition, measurement, presentation and disclosure of biological assets. Next, the research team held discussions with MSMEs to formulate and draw conclusions regarding the accounting treatment model for biological assets.

## III. Results And Discussion

Accounting Treatment of Biological Assets in the Tilapia Fish Cultivation Business UD Bless. Tilapia cultivation fisheries is a business sector that operates in the livestock sector. UD Bless is a business whose main activity is cultivating tilapia fish which is located in Eris Village, Eris District, Minahasa Regency. The following are the results of the researcher's interview with Mr. Audy as the business owner: "I founded this business in 2005 after seeing that the tilapia farming business opportunity was very promising, the high level of public consumption of this fish, and the strategic location of the business on the shore of Lake Tondano. This business has been running for approximately 18 years, where at the beginning the business only had 2 tilapia fish cages. "Every year this business experiences development and currently in 2023 we already have 160 tilapia fish cages." Tilapia fish produced by UD Bless is marketed in the North Sulawesi region. The following is a statement from Mr Audy: "Indeed, when the business was first established, marketing was only carried out in the Tondano area and usually the fish were sold at the market. But now the marketing area has become wider, I already have many customers, both private individuals and restaurant owners in North Sulawesi who have become partners with us. In the future, I hope to reach markets outside North Sulawesi." UD Bless has 160 fish cages, each cage can accommodate approximately 2,250-2500 fish, 28 tarpaulin ponds for the spawning process, and 80 tarpaulin ponds for the seed stocking process. The age or harvest time for fish is divided into each cage so that the average harvest time is usually different for each fish cage. Each fish cage has more or less the same treatment regarding feeding and care. Mr Audy stated that: The feed given is feed with the Convit PI Super-3 brand. The adult fish category is given 5% of the fish's weight. Meanwhile, immature fish are fed 10-20% of the fish's weight. Fish are fed about 2-3 times a day. The feed price is IDR 593,000/50kg which can produce 30kg of fish ready to harvest. The average tilapia fish produced by UD Bless every month is 10-15 tons. UD Bless' operational activities have a good impact on the economy of the communities around the business, namely by opening up job opportunities for the community as UD Bless employees. UD Bless has several employees to support operational activities. Each employee has duties and functions, including: fish control section, inspection and measuring section of water temperature and oxygen levels, finance section and shipping section. UD Bless' operational activities from the process of clearing land in the lake area, land processing, breeding, maintenance and harvesting of tilapia fish as an entity asset require a proper assessment or calculation to determine the number of assets owned by the entity. This assessment needs to be carried out because assets are economic resources that have important value for the continuity of the entity's business. The results of an asset assessment can help business owners in making business decisions. PSAK 69 states that biological assets are assets in the form of living animals and plants where biological assets undergo biological transformation consisting of processes of growth, degeneration, production and procreation which result in qualitative or quantitative changes in biological assets (Indonesian Accountants Association, 2022). These changes will affect the value of the biological assets owned by UD Bless, namely tilapia fish from cultivation. Accounting treatment for biological assets consists of recognition, measurement and disclosure. UD Bless's monthly production of tilapia fish averages 10-15 tons. Recognition, measurement and acknowledgment of biological assets in the UD Bless tilapia fish cultivation business is based on the results of interviews with Mr Audy as follows: "As a business owner, I actually don't have the ability to record accounting. I don't know what biological assets are, for the financial recording that I have been doing so far, namely recording income and expenditure transactions. So I don't understand when asked about accounting terms. I also just learned that tilapia fish are a biological asset." Based on the results of the interview, the researcher came to the conclusion that in carrying out its business activities, UD Bless has not recorded or recognized the tilapia fish produced

from cultivation activities as biological assets. Financial recording is still done simply, the reason is due to the limited knowledge of bookkeeping possessed by business owners. The results of research conducted by (Sari, 2013), (Andarsari & Dura, 2018), and (Pantow et al., 2022) found that most micro, small and medium enterprises only carry out minimal records. Biological asset measurements are not recorded because the entity does not have financial statements. The tilapia fish breeding process starts from selecting the parent. This process is carried out as an initial process in producing tilapia fish (seedlings). The broodstock comes from the best tilapia fish that have been selected from the harvest. This is done because broodstock also have an important role in producing quality Mujair fish seeds. Procurement of superior broodstock produces seedlings that also have superior characteristics, namely offspring that are responsive when given feed/quickly become large, healthy and have colors that suit market tastes. A good broodstock is one that is healthy and weighs 100 grams. There are two types of broodstock selected, namely male broodstock with 30 seeds and female broodstock with 100 seeds. After successfully obtaining broodstock, the next step is the spawning process. Spawning is done by mating adult male and female tilapia fish. The purpose of spawning is so that the parents can produce seeds. The spawning process is carried out naturally without any hormonal stimulation. The male tilapia will build a nest and then invite the female to lay eggs in the nest. Breeding occurs every year without looking at a particular season. The resulting seeds will be selected and distributed in containers specially provided for seeds. Usually the spawning seeds obtained by UD Bless are around 15,000 larvae. These results are obtained from measurements that use the available measurements. 1 dose is calculated as 5000 larvae. The larvae/seedlings are then stocked to continue with the next process, namely enlargement. Seedlings that have been sown are given food and water treatment until it is time to harvest. Feed is given by spreading it evenly. The goal is so that each individual fish can get food. The feed given is 3-5% of their body weight every day 2-3 times a day. The costs incurred in the seeding to rearing process are employee salaries, net repair costs, water costs and fish food costs. Business owners assume that a percentage of tilapia fish sales will be recognized as income. This percentage calculation is only based on estimates from the business owner so it does not reflect the actual profit of the entity. This condition has an impact on financial report results that are not in accordance with applicable accounting standards, thus affecting the quality of managerial decision making (Abbasi et al., 2014) and (Yaftian et al., 2017). Based on the results of interviews with business owners, it was revealed that:
"The business that I manage only has simple financial records, there are no financial reports, let alone calculations related to biological assets. Costs incurred from the start of seeding to harvest are recorded as expenses and will later be calculated with sales proceeds. To recognize profits, I usually only calculate them based on estimates. "For example, if you sell 1kg of tilapia fish at a market price of IDR 26,000, the owner takes a profit percentage of IDR 4,000 or 15% of the selling price." Biological Asset Accounting Model UD Bless. Accounting for biological assets is regulated in Statement of Financial Accounting Standards (PSAK) number 69 regarding agriculture. This standard aims to regulate accounting treatment and disclosures related to agricultural activities (Indonesian Accountants Association, 2022). This phenomenon shows that there are still many entities operating in the agricultural sector that do not implement these standards. Results of research conducted by (Listyawati & Firmansyah, 2018), (Aini & Ardiana, 2020), (Zerlinda et al., 2020), (Maharibe, 2020), (Erawan & Julianto, 2020), (Bibiana et al., 2022) found that the preparation of the entity's financial statements was not in accordance with PSAK 69. Researchers also found the same results as previous research, where UD Bless did not apply accounting treatment for biological assets in terms of recognition, measurement and disclosure. Limited knowledge of the owner is a factor that causes the biological asset accounting recording system to not work. In this sub-chapter, the researcher will describe the accounting records for biological assets in UD Bless' tilapia fish cultivation and then provide a model for accounting for biological assets based on PSAK 69. This recording design can be used by UD Bless to carry out business activities, especially in managing entity assets.

1. Recognition of Biological Assets.
   The basis for recognizing biological assets is based on PSAK 69, namely past events that require the entity to control the biological asset, there is a flow of economic benefits from the biological asset that may flow to the entity, and the biological asset can be measured reliably based on fair value or cost (Accountants Association Indonesia, 2022). Based on PSAK 69, UD Bless must classify the biological assets it owns into productive biological assets and consumable biological assets. Productive biological assets are assets other than biological assets that are simply consumed, while consumable biological assets are biological assets that will be harvested as agricultural products or sold as biological assets (Ardiana & Agustina, 2020) and (Indonesian Accountants Association, 2022). The biological asset in this research is tilapia fish produced by UD Bless. The tilapia fish will be classified as a biological asset that can be consumed. The classification of tilapia fish owned by UD Bless into biological assets that can be consumed is because these assets are the result of cultivating freshwater fish obtained from their own crossbreeds which will then be sold for consumption. Furthermore, UD Bless' biological assets will be grouped based on the age of mature

biological assets and immature biological assets which will be used as a basis for determining prices. The grouping of biological assets at UD Bless is presented in table 4.1 below.

Table 4.1 Grouping of UD Bless Biological Assets

| No | Cage | Population | Age | Description |
|---|---|---|---|---|
| 1 | 160 Cage | 2.250-2500/ Cage | 3month -4 month | Adult Biological Assets |
| 2 | 28 Cage | 100 heads/Cage | Usia 4 month – 1,5 month | Parent |
| 3 | 80 Cage | 5.000 seeds | 0-3 month | Immature Biological Assets |

Source: Processed Data, 2023

The process of seeding and rearing tilapia fish is carried out in a fish cage. UD Bless has 268 fish cages in carrying out its business activities with details as in table 4.1 above. The results of cross-breed tilapia fish will be categorized as assets if the fish seeds weigh 50 grams or are approximately 1 month old. The immature fish group is fish that is not ready to harvest, while the mature fish group is fish ready to harvest. UD Bless' biological asset recognition model, namely immature tilapia fish will be classified as non-current assets in the statement of financial position. Immature fish will be reclassified as adults when they meet the criteria for being mature and ready to be harvested. Adult fish will be classified as current assets because they are ready to be sold.

2. Measurement and Recording of Biological Assets

The initial measurement of biological assets based on PSAK 69 is measured at initial recognition and at the end of each reporting period at fair value less costs to sell, where the fair value in question is the market price at the time of purchasing the biological asset (Indonesian Institute of Accountants, 2022). UD Bless tilapia fish is obtained from the Peranakan itself. Biological assets in the form of immature tilapia fish are measured based on their acquisition price. The purchase price of immature fish consists of costs for land processing, breeding, feed, maintenance, employee salaries, administration, etc. These costs are capitalized into the value of the immature tilapia fish as a biological asset owned by UD Bless.

Next, tilapia fish that are classified as adult fish are measured based on the value that has been reclassified from immature fish. Costs incurred related to the process of obtaining immature fish do not need to be taken into account. This was done because previously these costs had been capitalized into the acquisition value of the immature fish so that they would not affect the value of the biological assets of the adult fish. The model for measuring the biological assets of immature fish at UD Bless is presented in table 4.2 below.

Table 4.2 Model For Measuring Immature Fish

| Price of Immature Fish Acquisition | Amount |
|---|---|
| Land Processing | xxx |
| Feed Costs | xxx |
| Employee salary | xxx |
| Miscellaneous Administration: | |
| Internet Load | xxx |
| Gasoline Load | xxx |
| Water Load | xxx |
| Equipment Depreciation Expense | xxx |
| Production House Depreciation Expense | xxx |

Source: Processed Data, 2023

Based on table 4.2 above, you can see a list of costs incurred to measure immature fish or fish that are not yet ready to harvest. The feed costs contained in the immature fish measurement model above need to be calculated

based on a comparison of the amount of feed given and the number of fish produced. The feed cost calculation model at UD.Bless is presented in table 4.3 below.

Table 4.3 Feed Cost Calculation Model

| Fish Age (Weeks) | Fish Weight (gr) | Calculation | | Number of Fish | | Total Fish Weight | | Total Feed Consumption / Week (Kg) | Feed Prices | Feed Cost/ Week |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Daily Feed Consumption | Number of Stocked Fish | Total Dead Fish | Total Live Fish | Gram | Kg | | | |
| 1 | 5 | 5% | 30.000 | 1.500 | 28.500 | 142.500 | 142,5 | 49,9 | 15.000 | 748.125 |
| 2 | 10 | 5% | 30.000 | 500 | 29.500 | 295.000 | 295,0 | 103,3 | 15.000 | 1.548.750 |
| 3 | 15 | 5% | 30.000 | 200 | 29.800 | 447.000 | 447,0 | 156,5 | 15.000 | 2.346.750 |
| 4 | 20 | 5% | 30.000 | 100 | 29.850 | 597.000 | 597,0 | 209,0 | 15.000 | 3.134.250 |

Source: Processed Data, 2023

Based on the calculations in table 4.3 above, the entity will determine the cost of feed provided each week. The percentage of daily feed consumption is estimated from the number of fish stocked or the weight of the fish. Next, the entity must calculate the number of fish deaths each week to get the total number of fish that are still alive until the fish are ready to be harvested or the fish are in the adult fish category. The comparison between the number of fish stocked and the number of fish that die will influence the amount of feed consumed each day or per week. After getting the amount of feed consumed, the amount of feed is multiplied by the price of feed to get the total feed cost per week.

Accounting records are needed when measuring biological assets to record any information needed so that it can be used in decision making. Measurements of biological assets at UD Bless will be recorded in a journal based on operational activities that occur. Biological asset measurement transaction records are described as follows.

1. Recording of immature fish

Entities that acquire biological assets from their own breeding must recognize these assets as a gain or loss on initial recognition. As explained above, the group of biological assets at UD Bless that are not yet mature will be recorded at cost which is capitalized from the costs that have been incurred to produce these assets. Illustration of the following calculations, for example, UD Bless to produce 1,000 immature tilapia fish has to pay breeding costs of IDR 500,000, feed of IDR 2,000,000, employee salaries of IDR 3,000,000, and other costs of IDR 500,000. Based on this data, the immature fish recording journal created by UD Bless is presented in table 4.4 below.

Tabel 4.4 Immature Fish Transaction Journal
(Acquisition Price of Biological Assets Equals Fair Value)

| Account Name | Debit | Credit |
|---|---|---|
| Immature Fish | 6.000.000 | |
| Cash / Debt | | 6.000.000 |

Source: Processed Data, 2023

Table 4.4 presents a journal model for recording immature fish transactions capitalized from the costs of acquiring these assets. The journal entry above is made if the costs incurred or the acquisition price of the biological asset is equal to its fair value. PSAK 69 states that biological assets can be measured reliably. When the fair value of an asset can be measured reliably, an entity measures the biological asset at fair value less costs to sell.

UD Bless can use the fair value of tilapia fish in recording biological assets. The fair value determination technique is determined based on the market price occurring at the time of the transaction. The use of fair value on UD Bless' biological assets can be measured reliably because of the large number of tilapia fish buying and selling transactions. The following is an illustration of recording a biological asset if the acquisition price of the biological asset is greater than its fair value. For example, UD Bless has 1,000 tilapia fish with a purchase price of IDR 6,000,000 with a fair value of IDR 5,500,000. The journal to record these transactions is presented in table 4.5 below.

Table 4.5 Immature Fish Transaction Journal
(Acquisition Price of Biological Assets is Greater than Fair Value)

| Account name | Debit | Credit |
|---|---|---|
| Immature Fish | 5.500.000 | |
| Losses on Valuation of Biological Assets | 500.000 | |
| Cash / Debt | | 6.000.000 |

Source: Processed Data, 2023

Table 4.5 shows that the loss account for the valuation of biological assets is used if the costs incurred to obtain the biological asset are greater than the market value. On the other hand, if the costs incurred to obtain a biological asset are less than its fair value, then a loss account on the valuation of the biological asset is recorded in the credit position. For example, UD Bless has 1,000 tilapia fish with a purchase price of IDR 6,000,000 with a fair value of IDR 6,500,000. The journal to record these transactions is presented in table 4.6 below.

Table 4.6 Immature Fish Transaction Journal
(Acquisition Price of Biological Assets is Less than Fair Value)

| Account Name | Debit | Kredit |
|---|---|---|
| Immature Fish | 6.500.000 | |
| Benefits of Biological Asset Valuation | | 500.000 |
| Cash / Debt | | 6.000.000 |

Source: Processed Data, 2023

2. Recording the reclassification of immature fish into adult fish

Account reclassification is recorded if the group of immature fish meets the criteria for producing fish according to the age of the fish set by UD Bless. Reclassification is a transfer of an account from one post to another. Account reclassification is carried out to increase the relevance between accounts and related balances (Sambuaga et al., 2021). An illustration of the calculation is as follows, for example, after fish are more than 3 months old and can be harvested, fish that were previously categorized as immature biological assets will be reclassified as mature biological assets. For example, there is information regarding the number of immature biological assets owned by UD Bless, namely 1,000 tilapia fish worth Rp. 6,000,000, which fulfill the criteria for mature biological assets. Assuming that the acquisition price of immature biological assets is the same as fair value, the journal entry to record the reclassification of biological assets at UD Bless is presented in table 4.7 below.

Table 4.7 Biological Asset Reclassification Journal

| Nama Akun | Debit | Kredit |
|---|---|---|
| Adult Fish | 6.000.000 | |
| Immature Fish | | 6.000.000 |

Source: Processed Data, 2023

The journal entries in table 5.7 show that there is a shift in account posts to recognize the existence of mature biological assets. Adult fish are assessed based on the reclassification value of immature fish. The costs incurred to produce immature fish do not need to be recorded because they are recognized as adult fish. If at the time of measurement a difference is found between the fair value and the acquisition price, the difference will be recorded as a loss or gain on the valuation of the biological asset. For example, UD Bless has immature biological assets of 1,000 tilapia fish worth IDR 6,000,000 which meet the criteria for mature biological assets. The market value at the time of reclassifying the asset is IDR 5,500,000. The journal to record the reclassification of biological assets is presented in table 4.8 below.

Table 4.8 Biological Asset Reclassification Journal
(Acquisition Price Greater Than Fair Value)

| Account Name | Debit | Kredit |
|---|---|---|
| Adult Fish | 5.500.000 | |
| Losses on Valuation of Biological Assets | 500.000 | |
| Immature Fish | | 6.000.000 |

Source: Processed Data, 2023

Table 4.8 shows the recording of reclassification of biological assets, if the acquisition price is greater than the fair value. A loss account on the valuation of biological assets will be recorded in a debit position to recognize losses on the valuation of biological assets. On the other hand, if the acquisition price is less than the fair value at the time of reclassification of the biological asset, then a gain account on the valuation of the biological asset is recorded in the credit position to recognize the gain on the valuation of the biological asset. For example, UD Bless has immature biological assets of 1,000 tilapia fish worth IDR 6,000,000 which meet the criteria for mature biological assets. The market value at the time of reclassifying the asset is IDR 6,500,000. The journal to record the reclassification of biological assets is presented in table 4.9 below.

Table 4.9 Biological Asset Reclassification Journal
(Acquisition Price is Less than Fair Value)

| Account Name | Debit | Credit |
|---|---|---|
| Adult Fish | 6.500.000 | |
| Benefits of Biological Asset Valuation | | 500.000 |
| Immature Fish | | 6.000.000 |

Source: Processed Data, 2023

3. Presentation and Disclosure of Biological Assets.

PSAK 69 recommends entities to provide a quantitative description of each group of consumable biological assets and productive biological assets, or between mature and immature biological assets, according to the condition of the biological assets (Indonesian Institute of Accountants, 2022). Biological assets at UD Bless consist of biological assets for adult fish and biological assets for immature fish. UD Bless presents biological assets in the statement of financial position as current assets based on the fair value of the assets. The presentation of UD Bless' biological assets is presented in table 4.10 below.

Table 4.10 Presentation of UD Bless' Biological Assets

| Financial Position Report<br>UD Bless<br>31 Maret 2023 | |
|---|---|
| | |
| **Current Assets** | |
| Cash | xxx |
| Account Receivable | xxx |
| Biological Assets of Immature Fish | xxx |
| Biological Assets of Adult Fish | xxx |

The financial statements prepared by the entity must disclose the policies established by the entity. Disclosure of an entity's accounting policies is presented in the notes to the financial statements. In the notes to the financial statements, UD Bless discloses information regarding the types of biological assets consisting of immature fish and adult fish, details of the number of biological assets, as well as measuring biological assets using fair value.

## IV. CONCLUSION

UD Bless Biological Assets are grouped based on mature biological assets and immature biological assets which will be used as a basis for determining prices. UD biological asset recognition model. Bless, namely immature tilapia fish will be classified as current assets in the statement of financial position and will be reclassified as adult fish when they meet the criteria for being ready to be harvested. Adult fish are assessed based on the reclassification value of immature fish. The costs incurred to produce immature fish do not need to be recorded because they are recognized as adult fish. If at the time of measurement a difference is found between the fair value and the acquisition price, the difference will be recorded as a loss or gain on the valuation of the biological asset. UD Bless presents biological assets in the statement of financial position as current assets based on the fair value of the assets.

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