

EDISI 2021



**INSTITUT PERAKAUNAN NEGARA
JABATAN AKAUNTAN NEGARA MALAYSIA
PROGRAM PERAKAUNAN & KEWANGAN**

Malaysian Public Sector Accounting Standards (MPSAS)

Impairment

Cash Generating Assets / Non-Cash Generating Assets



MORE INFO

www.ipn.gov.my



MPSAS 21 & 26



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OBJECTIVE

- ✓ is to prescribe the procedures that an entity applies to determine **whether a non-cash-generating asset/ cash generating asset is impaired**, and to ensure that **impairment losses are recognized**.
- ✓ specifies **when** an entity would **reverse an impairment** loss, and prescribes **disclosures**.

MPSAS 21

SCOPE



An **entity** that prepares and presents financial statements **under the accrual basis of accounting shall apply this Standard** in accounting for impairment of non-cash-generating assets, **except:**

- **Inventories** (see MPSAS 12, Inventories)
- **Assets arising from construction contracts** (see MPSAS 11, Construction Contracts)
- **Financial assets** that are included in the scope of MPSAS 29, Financial Instruments: Recognition and Measurement
- **Investment property** that is measured using the fair value model (see MPSAS 16, Investment Property)
- **Non-cash-generating PPE** that is measured at **revalued amounts** (see MPSAS 17, Property, Plant, and Equipment)
- **Non-cash-generating intangible assets** that are measured at **revalued amounts** (see MPSAS 31, Intangible Assets)
- Other assets in respect of which accounting requirements for impairment are included in **another MPSAS**



Applies to all **public sector entities** other than **Government Business Enterprises (GBEs)**

MPSAS 26

SCOPE



INSTITUT PERAKAUNAN NEGARA
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An **entity that prepares and presents financial statements** under the **accrual basis of accounting** shall apply this Standard in accounting for the impairment of cash-generating assets, **except for**:

- **Inventories** (see MPSAS 12, *Inventories*)
- **Assets arising from construction contracts** (see MPSAS 11, *Construction Contracts*);
- **Financial assets** that are within the scope of MPSAS 29, *Financial Instruments: Recognition and Measurement*
- **Investment property** that is measured at fair value (see MPSAS 16, *Investment Property*)
- **Cash-generating property, plant, and equipment** that is **measured at revalued amounts** (see MPSAS 17, *Property, Plant, and Equipment*)
- **Deferred tax assets** (see the relevant international or national accounting standard dealing with deferred tax assets)
- **Assets arising from employee benefits** (see MPSAS 25, *Employee Benefits*);

MPSAS 26

... cont'd

SCOPE



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- **Cash-generating intangible assets** that are measured at revalued amounts (see MPSAS 31, *Intangible Assets*)
- **Goodwill**
- **Biological assets** related to agricultural activity that are **measured at fair value less costs to sell** (see MPSAS 27, *Agriculture*)
- **Deferred acquisition costs, and intangible assets**, arising from an insurer's contractual rights under insurance contracts within the scope of the relevant international or national accounting standard dealing with insurance contracts
- **Non-current assets** (or disposal groups) **classified as held for sale** that are **measured at the lower of carrying amount and fair value, less costs to sell**, in accordance with the relevant international or national accounting standard dealing with non-current assets held for sale and discontinued operations; and
- **Other cash-generating assets** in respect of which accounting requirements for impairment are **included in another Standard**.



Applies to all public sector entities other than Government Business Enterprises (GBE)

TANGGUNGJAWAB PTJ

INSTITUT PERAKAUNAN NEGARA
JABATAN AKAKAUNAN NEGARA MALAYSIA

Tanggungjawab

PTJ

PTJ

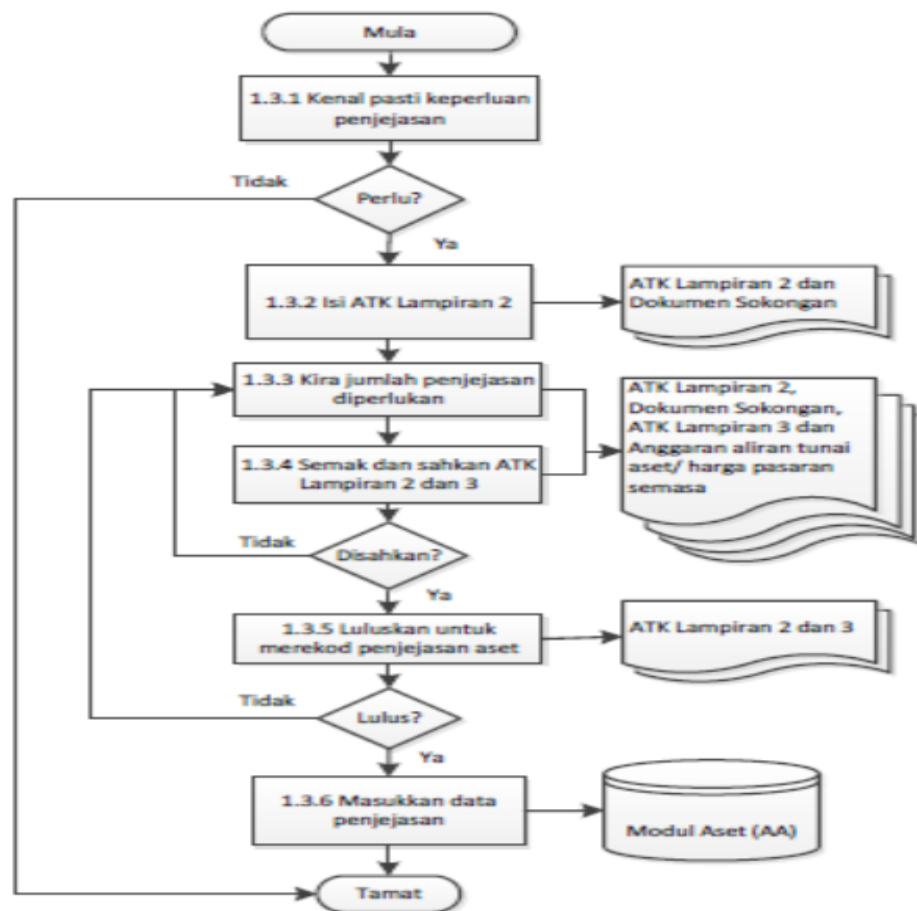
PTJ

BA

JKPAK

PTJ

Proses merekod kerugian penjejasan



MPSAS 21 & 26

DEFINITION

Cash-Generating Assets

assets held with the primary objective of **generating a commercial return**

Non-Cash-Generating Assets

assets **not held** with the primary objective of **generating a commercial return**

Depreciation (amortization)

are the **systematic allocation of the depreciable amount** of an asset over its useful life

Recoverable Service Amount/ Recoverable Amount

the **higher of** a non-cash-generating-asset's fair value less costs to sell and its value in use

Impairment

A **loss in the future economic benefits or service potential** of an asset, **over and above** the systematic recognition of the loss of the asset's future economic benefits or service potential through **depreciation**

Cash-Generating Assets

- i. generate positive cash inflows
- ii. earn a commercial return



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e.g.:

- Private unit of government hospital



Non Cash-Generating Assets

not held with the primary objective of generating a commercial return

e.g.:

- National schools
- Government Hospital

Substance over form

Management intent to use asset for service delivery purpose.

But, the asset may have the ability to generate cash flows??

Incidental – insignificant
in relation to the total
use of asset



A - renting out to public



B - held for internal meeting purpose

INDICATORS OF IMPAIRMENT

Non-Cash Generating Assets

- Physical damage or obsolescence
- Significant long-term changes in the extent to which an asset is used (becoming idle, plans to discontinue or restructure the operation, plans to dispose of an asset earlier than an expected date)
- Decision to halt the construction of an asset before it is complete
- Worse service performance than expected
- Higher subsequent cash needs for operating or maintaining it
- **Significantly lower service or output levels provided by the asset**

Cash Generating Assets

- Physical damage or obsolescence
- Significant long-term changes in the extent to which an asset is used (becoming idle, plans to discontinue or restructure the operation, plans to dispose of an asset earlier than an expected date)
- Decision to halt the construction of an asset before it is complete
- Worse economic performance than expected
- Higher cash flows for acquiring the asset or subsequent cash needs for operating or maintaining it
- **Worse actual net cash flows from asset than as budgeted**

Internal sources





External sources

Non-Cash Generating Assets

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- Cessation or near cessation or a significant long-term decline of demand for services provided by assets
- Asset's market value has declined significantly more than expected
- Significant long-term changes in the technological, legal, or government policy environment in which the entity operates

INDICATORS OF IMPAIRMENT

Cash Generating Assets

- Asset's market value has declined significantly more than expected
- Significant long-term changes in the technological, legal, or government policy environment in which the entity operates
- **Increase of market interest rate**



Entity G sell water purification device to community. Spare part of the device were imported from Germany.

- Germany supplier liquidated.
- New updated purification system in the market.
- Market value decrease of other devices.
- Decline in sales of water purification devices.



External sources

Changes in market

- Market value decrease
- Supplier liquidated

Changes in technology

- New devices in market



Internal sources

Significant changes with adverse effect

- No more spare parts

Obsolescence

- Based on indicators

Internal reporting

- Increase in repair & maintenance

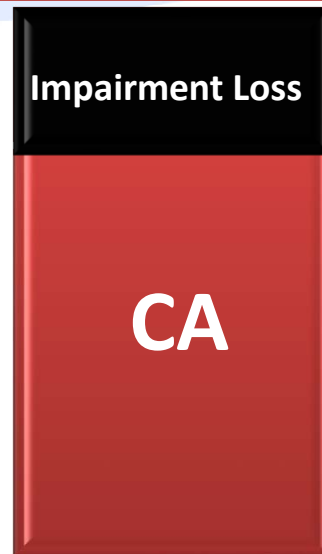
ASSET IS IMPAIRED WHEN..



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Carrying amount
(accounting records/SOFP)



>



Recoverable Service Amount
(FV-cost to sell / Value in Use)



Dr. Impairment Loss Expense	XX
Cr. Accumulated Impairment Loss	XX

Adjust depreciation for future periods to new CA

IMPAIRMENT MEASUREMENT – EXAMPLE 1

RM 90

New carrying amount (CA)

Lower of

RM100

Existing book value (BV)

RM90

Recoverable service amt (MPSAS 21) /
Recoverable amt (MPSAS 26)

Higher of

RM80

Fair value (-) cost to sell (FVCS)

RM90

Value in use (VIU)

Impairment loss = RM10

Dr Impairment Loss Expense (Surplus/Deficit) RM10

Cr Accumulated Loss Expense

RM10

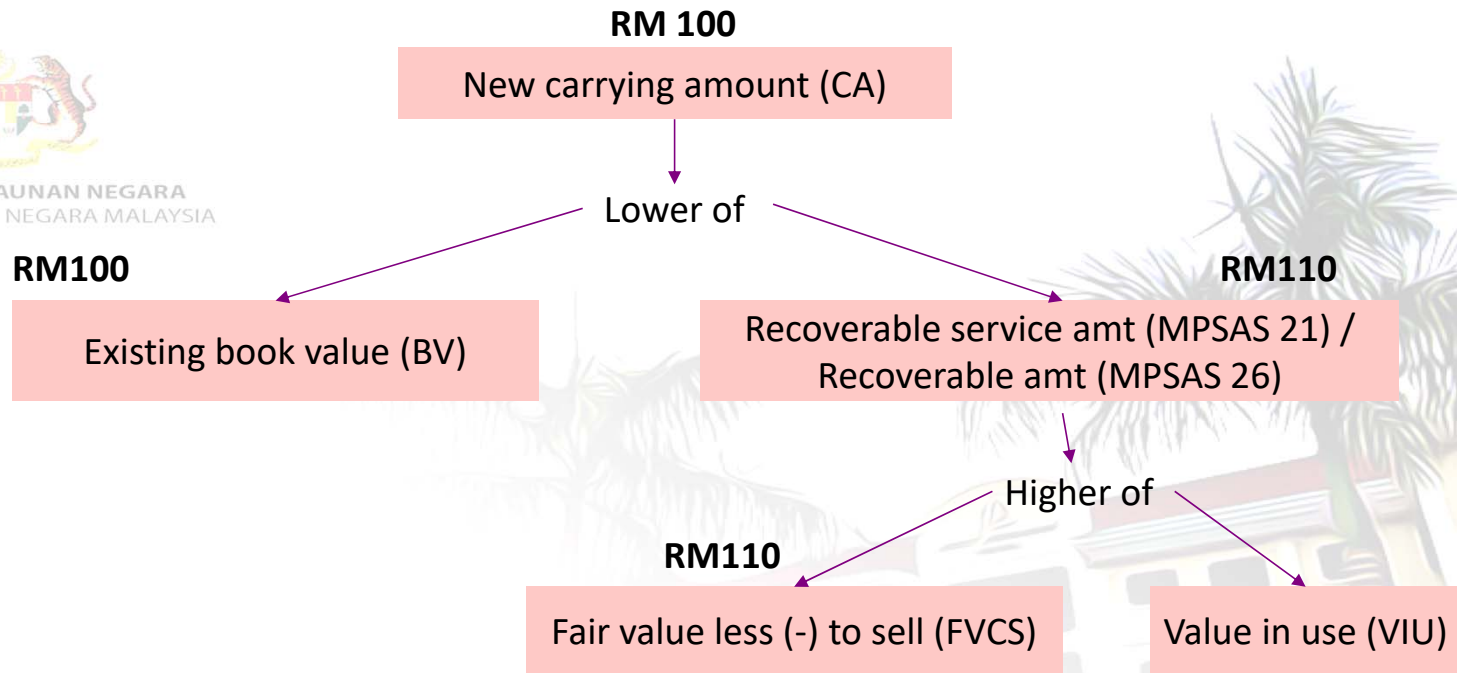


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IMPAIRMENT MEASUREMENT – EXAMPLE 2



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JABATAN AKAUNTAN NEGARA MALAYSIA



If FVCS > existing BV,
• Asset is not impaired
• No need to estimate VIU

IDENTIFY ASSETS THAT MAY BE IMPAIRED



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JABATAN AKAUNTA



Assess at each reporting date whether there is indication assets may be impaired

YES

Determine RSA/RA

$RSA/RA < CA$

YES

Impairment loss

RECOVERABLE SERVICE AMOUNT/RECOVERABLE AMOUNT

Higher of asset's

FAIR VALUE LESS COST TO SELL

VALUE IN USE

IF any of these > CA → No impairment

If FV-Cost to Sell impossible to set → Use Value in Use



INSTITUT PERAK
JABATAN AKAUNTAN



FAIR VALUE LESS COST TO SELL



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JABATAN AKAUNTAN NEGARA MALAYSIA

Agreement

Market
price

Estimate

Fair value

Amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

FV = RM100,000

Cost to sell

- Deducted in determining FVCS
- Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense

Cost to sell = RM5,000

FVCS = RM100,000 – RM5,000 = RM95,000

VALUE IN USE (VIU) – HOW TO DETERMINE?

Cash-Generating Assets

VS

Non Cash-Generating Assets

Present Value of the future cash flows.

Future cash flows (including time value of money) expects to be derived from the asset

- **Estimate the future cash inflows and outflows from continuing use of the asset and from its ultimate disposal**

- **Applying the appropriate discount rate to these cash flows**

Present value of the asset's remaining service potential

- **Depreciated replacement cost approach**
- **Restoration cost approach**
- **Service units approach**

VALUE IN USE (NCGA)



INSTITUT PERAKAUNAN & KEWANGAN
JABATAN AKAUNTAN NEGARA

Approach

VIU (PV)

Depreciated
Replacement
Cost (DRC)

Cost to replace asset's gross service
potential (-) acc. depreciation

Restoration
Cost

DRC (-) cost of restoring asset (repair)

Service Unit

DRC (-) current cost by reduced number of
service unit expected at impaired level

VIU – PENDEKATAN KOS PENGANTIAN DISUSUT NILAI (DEPRECIATED REPLACEMENT COST APPROACH)

– *Illustrative example (Scenario A.1)*



INSTITUT PERAKAUNAN DAN KEWANGAN
JABATAN AKAUNTAN NEGARA MALAYSIA

- An entity acquired computer software license for **RM350,000** in **1999**
- Useful life – **7 years**
- Usage of application **declined to 15%** of original expected capacity by **2002**
- Replacement cost to replace the software – **RM70,000**

Is there any indication of impairment?

Yes. Technological
change & loss of
usage capacity

VIU – DEPRECIATED REPLACEMENT COST APPROACH



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JABATAN AKAUNTAN NEGARA MALAYSIA

Impairment testing		
Purchase cost		RM350,000
Accumulated depreciation	(RM350K / 7 years) x 4 years	RM200,000
Carrying Amount (CA)		RM150,000
Replacement cost		RM70,000
Accumulated depreciation	(RM70K / 7 years) x 4 years	RM40,000
Depreciated Replacement Cost → VIU / RSA		RM30,000
Impairment loss (CA – RSA)		RM120,000

	Amount (RM)	Accounting Code
DR Impairment loss expense	120,000	B48391XX
CR Accumulated impairment loss	120,000	A48391XX

VALUE IN USE (NCGA)



INSTITUT PERAKAUNAN MELAYU
JABATAN AKAUNTAN NEGARA

Approach

VIU (PV)

Depreciated
Replacement
Cost (DRC)

Cost to replace asset's gross service
potential (-) acc. depreciation

Restoration
Cost

DRC (-) cost of restoring asset (repair)

Service Unit

DRC (-) current cost by reduced number of
service unit expected at impaired level

VIU – RESTORATION COST APPROACH

– *Illustrative example (Scenario A.2)*



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JABATAN AKAUNTAN NEGARA MALAYSIA

- In **1998**, an entity acquired a bus at the cost of **RM200,000** to help students from a nearby village to commute free of charge.
- Estimated a useful life of the bus is **10 years**.
- In **2002**, the bus sustained damage in a road accident requiring **RM40,000** to be restored to a usable condition. The restoration will not affect the useful life of the asset.
- The cost of a new bus to deliver a similar service is **RM250,000** in **2002**.

Is there any indication of impairment?

Yes. Damage to the bus from a road accident

VIU – RESTORATION COST APPROACH

Impairment testing		
Purchase cost		RM200,000
Accumulated depreciation	(RM200,000 /10 years) x 5 years	RM100,000
Carrying Amount (CA)		RM100,000
Replacement cost		RM250,000
Accumulated depreciation	(RM250,000 /10 years) x 5 years	RM125,000
Depreciated Replacement Cost (if undamaged)		RM125,000
Less : Restoration cost		RM40,000
VIU / RSA		RM85,000
Impairment loss (CA – RSA)		RM15,000

	Amount (RM)	Accounting Code
DR Impairment loss expense	15,000	B41341XX
CR Accumulated impairment loss	15,000	A41341XX

VALUE IN USE (NCGA)



INSTITUT PERAKAUNAN MELAYU
JABATAN AKAUNTAN NEGARA

Approach

VIU (PV)

Depreciated
Replacement
Cost (DRC)

Cost to replace asset's gross service
potential (-) acc. depreciation

Restoration
Cost

DRC (-) cost of restoring asset (repair)

Service Unit

DRC (-) current cost by reduced number of
service unit expected at impaired level

VIU – SERVICE UNIT APPROACH

Illustrative example (Scenario A.3)



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JABATAN AKAUNTAN NEGARA MALAYSIA

- An entity acquired printing machines for **RM40 million** in **1998**.
- Useful life – **10 years** for printing 40 mil copies of school text books.
- In **2002**, some parts of the machine malfunctioned resulting in **25% drop** in machine's annual output. Remaining useful life of the machine is **5 years**.
- Replacement cost of a new printing machine – **RM45 million**.

Is there any indication of impairment?

Yes. Significant drop in service potential of the machine

VIU – SERVICE UNIT APPROACH

Impairment testing		
Purchase cost		RM40,000,000
Accumulated depreciation	(RM40,000,000 /10 years) x 5 years	RM20,000,000
Carrying amount (CA)		RM20,000,000
Replacement cost		RM45,000,000
Accumulated depreciation	(RM45,000,000 /10 years) x 5 years	RM22,500,000
Depreciated replacement cost (before adjustment) – VIU/RSA		RM22,500,000
Less : Current Cost (25% drop of service potential)		RM5,625,000
VIU / RSA	(75% remaining service potential)	RM16,875,000
Impairment loss (CA – RSA)		RM3,125,000

	Amount (RM)	Accounting Code
DR Impairment loss expense	3,125,000	B41351XX
CR Accumulated impairment loss	3,125,000	A41351XX

VALUE IN USE (VIU) – HOW TO DETERMINE?

Cash-Generating Assets

Future cash flows (including time value of money) expects to be derived from the asset

- Estimate the future cash inflows and outflows from continuing use of the asset and from its ultimate disposal
- Applying the appropriate discount rate to these cash flows



Non Cash-Generating Assets

Present value of the asset's remaining service potential

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

VALUE IN USE (NCGA)

Application of Approaches (MPSAS 21:50):

Depend on the availability of data and the nature of the impairment:

Type of Indicator	Approach
Impairments identified form significant long-term changes in the technological, legal or government policy environment	<ul style="list-style-type: none">- Depreciated replacement cost- Service units
Impairment identified form the cessation or near cessation of demand	<ul style="list-style-type: none">- Depreciated replacement cost- Service units
Impairments identified from physical damage	<ul style="list-style-type: none">- Restoration cost- Depreciated replacement cost

VALUE IN USE (CGA)



INSTITUT PERAKA
JABATAN AKAUNTAN I

Present value of the future cash flows expected to be derived from an asset



1. Future Cash Flows



2. Discounting



Year	Future cash flow	Discount factor at 10%	Present value
1	3 000	0,909	2 727
2	2 800	0,826	2 314
3	2 500	0,751	1 878
4	2 000	0,683	1 366
5	1 200	0,621	745
Σ	11 500		9 031

Value in use

VALUE IN USE (CGA)



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JABATAN AKAUNTAN NEGARA MALAYSIA



1. Future Cash Flows

Basis

Assumptions + Recent Budget / Forecast + Extrapolation



- Cash inflow from continuing use
- Necessary & directly attributable / allocated cash outflows
- Net cash from disposal



- Future restructuring if not yet committed
- Improving / enhancing performance
- Receivable / payables
- Financing activities

VALUE IN USE (CGA)



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JABATAN AKAUNTAN NEGARA MALAYSIA



2. Discounting

= pre-tax rate that reflects current market assessment of:



Time value of money



Risks specific to asset

Policy

Current Risk-Free of Interest Issued By JANM

Recognizing & Measuring Impairment loss, MPSAS 21:51-57

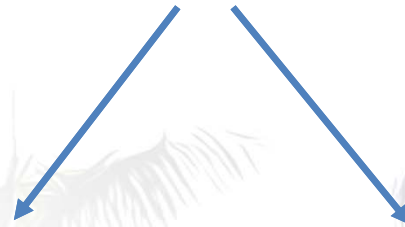


INSTITUT PERAK
JABATAN AKAUNTAN



FAIR VALUE LESS COST TO SELL

Higher of asset's



VALUE IN USE

IF any of these > CA

No impairment

Mean when any of these < CA, the
difference is an **impairment loss**

INDICATORS OF REVERSAL OF IMPAIRMENT LOSS

Internal sources



Non-Cash Generating Assets

- Significant long-term changes in the extent to which an asset is used (increase in asset's performance or restructure of operation)
- Decision to resume the construction of an asset that was previously halted before it was completed
- Better service performance than expected



Cash Generating Assets

- Significant long-term changes in the extent to which an asset is used (increase in asset's performance or restructure of operation)
- Decision to resume the construction of an asset that was previously halted before it was completed
- Better service performance than expected



External sources

INDICATORS OF REVERSAL OF IMPAIRMENT LOSS

Non-Cash Generating Assets

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JABATAN AKAUNTAN NEGARA MALAYSIA


- Resurgence of demand or need for services provided by assets
- Significant rise in asset's market value
- Significant long-term changes in the technological, legal, or government policy environment in which the entity operates

Cash Generating Assets

- Asset's market value has increased significantly more than expected
- Significant long-term changes in the technological, legal, or government policy environment in which the entity operates
- **Decrease of market interest rate**



Cash-Generating Units (GGU)


If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the **cash-generating** unit to which the asset belongs (the asset's cash-generating unit). – MPSAS 26: 77

The CA of a CGU shall be determined on a basis consistent with the way the recoverable amount of the CGU is determined.

Impairment loss for a CGU



- CA of the CGU < RA
- Impairment loss shall be allocated of the CGU on a pro rata basis, based on the CA of each asset in the CGU
- Examples:
 - Impairment in group but when reversal done, one of the buiding is recovered. Therefore, only one building being adjusted for reversal.

CASH-GENERATING UNIT



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Cash-generating Unit

- the **smallest identifiable group of assets**
- held with the primary objective of **generating a commercial return** that generates cash inflows from continuing use
- that are **largely independent** of the cash inflows from other assets or groups of assets



Power Station has 3 generators.
Each is separately identifiable & works independently.
However, do not generate cash independently.

What is the smallest identifiable group of assets???

IMPAIRMENT LOSS OF CASH-GENERATING UNIT



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Impairment of indicators were identified .
CA of power station exceeds RA by RM100,000

CA:

Generator 1	RM450,000
Generator 2	RM450,000
Generator 3	RM600,000



Generator 1 $RM100,000 \times (RM450,000 / 1,500,000) = RM30,000$

Generator 2 $RM100,000 \times (RM450,000 / 1,500,000) = RM30,000$

Generator 3 $RM100,000 \times (RM600,000 / 1,500,000) = RM40,000$

Reversing an impairment loss



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JABATAN AKAUNTA



Assess at each reporting date whether there is indication impairment loss recognised in prior periods may no longer exist

YES

Determine RSA/RA

$RSA/RA > CA$

YES

Reverse of impairment loss

Recognizing & Measuring Impairment loss, MPSAS 21:51-57



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JABATAN AKAUNTA MALAYSIA

An impairment loss shall be recognized in surplus & deficit.



How if the estimated impairment loss is greater than the carrying amount of the asset?

Depreciation/Amortization charge shall be adjusted in future periods

REVERSING AN IMPAIRMENT LOSS

- Reverse only where estimates used to determine recoverable amount for last impairment testing have changed
- Asset cannot be recorded above
 - recoverable amount; or
 - carrying amount, had no impairment been charged



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JABATAN AKAUNTAN NEGARA

	20X1	20X2
Carrying amount	RM60	
Recoverable amount	RM40	RM40
Impairment loss (to surplus/deficit)	RM20	RM70
Impairment reversal ??		RM20

Dr. Accumulated Impairment Loss	20
Cr. Impairment Loss Expense	20

REDESIGNATION OF ASSETS



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JABATAN AKAUNTAN NEGARA

Cash-Generating Assets



Non Cash-Generating Assets

Entity A had a building classified as Investment Property.

Earthquake destroyed entity's admin office, they need to use the building that was previously rented out.

Senario A.4 - Penjejasan Satu Pembinaan Terbengkalai bagi Aset Tidak Menjana Tunai

Pada Januari 20X0, FGOM memberikan kontrak kepada Kontraktor A untuk membina sebuah hospital dengan kos kerja keseluruhan yang dipersetujui berjumlah RM200 juta. Kerja bermula pada Mac 20X0. Tempoh pembinaan dijangka selama 2 tahun.

Sehingga Januari 20X2, sejumlah RM180 juta telah dibayar kepada Kontraktor berdasarkan Bayaran Kemajuan Berkala dan Sijil Kemajuan Tahap Kerja. Bangunan ini telah 90% siap .

Pada masa ini, pertikaian utama timbul antara FGOM dengan Kontraktor A dan kerana pertikaian tersebut tidak dapat diselesaikan, Kontraktor menggunakan klausa pemisah dan menamatkan kontrak dengan FGOM.

Projek ini telah terbengkalai selama lebih kurang 2 tahun sebelum kontraktor baharu (Kontraktor B) ditugaskan untuk menyiapkan pembinaan hospital tersebut. Kontraktor B menganggarkan RM50 juta lagi diperlukan untuk menyiapkan pembinaan. Anggaran RM50 juta termasuk RM20 juta untuk kerja baik pulih dan RM30 juta untuk menyiapkan pembinaan. Kos penggantian bangunan dianggarkan RM210 juta.

Impairment of an abandoned non-cash generating AUC

1) Untuk merekod kos pembinaan yang ditanggung sehingga Januari 20X2

	Amaun (RM)	Kod Perakaunan
Dt Aset Dalam Pembinaan	180,000,000	A2032199
Kt Tunai	180,000,000	A0112000

2) Untuk merekod Penjejasan ke atas Aset Dalam Pembinaan.

Penilaian telah dibuat ke atas Aset Dalam Pembinaan untuk memeriksa petunjuk Penjejasan dan seterusnya menaksir Amaun Perkhidmatan Boleh Pulih.

Petunjuk Penjejasan yang telah ditaksir adalah:

- Keputusan untuk menghentikan pembinaan atau dalam keadaan boleh digunakan; tiada Penjejasan kerana terdapat hasrat untuk menyiapkan pembinaan.
- Bukti yang ada mengenai kerosakan fizikal; terdapat bukti kerosakan maka baik pulih akan diteruskan kemudiannya.

Penilaian Penjejasan	(RM'000)
A) Kos Pemerolehan pada 20X2 (At 90%)/Nilai Kini	180,000
B) Kos Penggantian (Nilai Saksama Pada 90% daripada RM210 Juta)*	189,000
Tolak: Kos Baik Pulih	(20,000)
C) Amaun Perkhidmatan Boleh Pulih	169,000
Kerugian Penjejasan (A – C)	11,000

* Kos penggantian sebuah bangunan 90% siap lebih kurang RM189 juta.

	Amaun (RM)	Kod Perakaunan
Dt Belanja Kerugian Penjejasan	11,000,000	B5732199
Kt Kerugian Penjejasan Terkumpul	11,000,000	A5732199

Impairment of an abandoned non-cash generating AUC

3) Untuk merekod belanja baik pulih yang ditanggung pada 20X2

Sepanjang 20X2, Kontraktor B membaik pulih bangunan kepada keadaan asal dan menyiapkan pembinaan baki struktur bangunan.

a) RM20 juta ditambah kepada Aset Dalam Pembinaan pada tahun 20X2

	Amaun (RM)	Kod Perakaunan
Dt Aset Dalam Pembinaan	20,000,000	A2032199
Kt Tunai (Kontraktor B)	20,000,000	A0112000

Impairment of an abandoned non-cash generating AUC

b) Untuk merekod baki RM30 juta yang ditanggung untuk membawa Aset kepada potensi perkhidmatan semasa

	Amaun (RM)	Kod Perakaunan
Dt Aset Dalam Pembinaan	30,000,000	A2032199
Kt Tunai (Kontraktor B)	30,000,000	A0112000

INST
JABATA

Apabila siap sepenuhnya dan Sijil Perakuan Siap Kerja diperolehi, Aset berkenaan boleh dipindahkan daripada Aset Dalam Pembinaan kepada Hartanah, Loji Dan Peralatan (bangunan).

Selepas itu, Aset dinilai semula pada kos penggantian lebih tinggi iaitu sebanyak RM240 juta. Amaun Boleh Pulih semasa Aset tersebut pada masa ini adalah RM219 juta (RM180 juta + RM50 juta – RM11 juta Penjejasan). Nilai Aset tersebut kini telah meningkat kepada Amaun Perkhidmatan Boleh Pulih.

Kesemua Kerugian Penjejasan yang diperuntukkan di bawah catatan jurnal 2 kini ditimbal balik.

	Amaun (RM)	Kod Perakaunan
Dt Kerugian Penjejasan Terkumpul	11,000,000	A5732199
Kt Belanja Kerugian Penjejasan	11,000,000	B5732199

Peningkatan Amaun Bawaan Aset yang berpunca daripada timbal balik Kerugian Penjejasan hendaklah tidak melebihi Amaun Bawaan yang sepatutnya ditentukan jika tiada Kerugian Penjejasan diiktiraf dalam tempoh terdahulu.

DISCLOSURE



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- The **events and circumstances** that led to the **recognition or reversal** of the impairment loss.
- The **amount** of the **impairment loss recognized or reversed**.
- The **nature** of the asset.
- Whether the **recoverable service amount** of the asset is its **fair value less costs to sell** or its **value in use**.
- If the recoverable service amount is **fair value less costs to sell**, the **basis used to determine** fair value less costs to sell (such as whether fair value was determined by reference to an active market).
- If the recoverable service amount is **value in use**, the **approach** used to determine value in use.

EFFECTIVE DATE OF MPSAS 21 & 26



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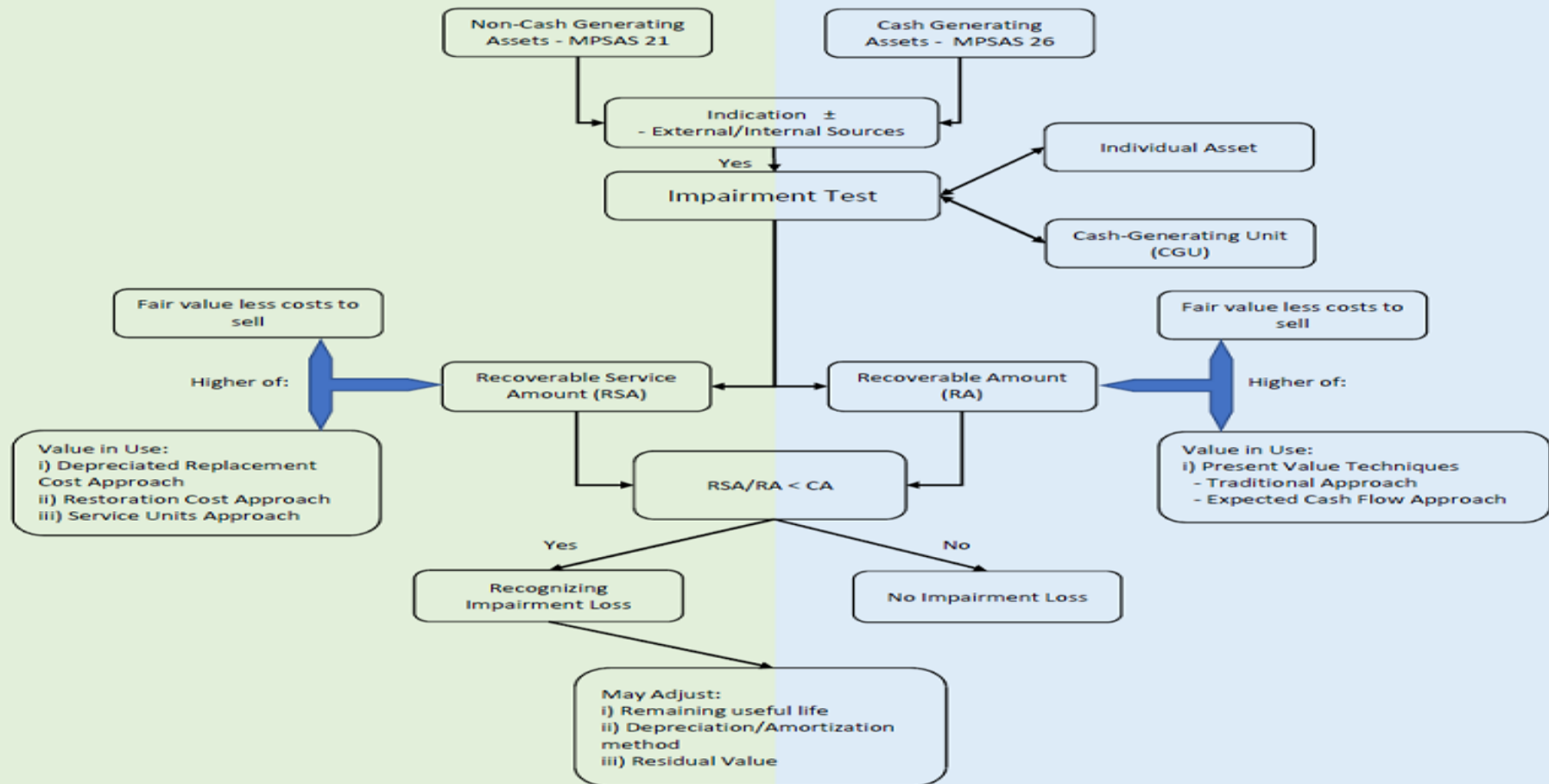


An entity shall apply this Standard for annual financial statements covering periods beginning on or **after January 1, 2017**.



Earlier application is encouraged. If an entity applies this Standard for a period beginning before January 1, 2017, it **shall disclose that fact**.

Flowchart For Impairment of Non-Cash-Generating Assets & Cash-Generating Assets



*Intangible assets with an indefinite useful life must be tested for impairment annually irrespective of whether there is any indication that it may be impaired

Isu



- Tanggungjawab PTJ untuk membuat pengiraan penjejasan. Adakah PTJ bersedia untuk melaksanakannya terutama PTJ kecil.
- Apakah rujukan/sumber bagi PTJ membuat pengiraan tersebut.
- Cadangan supaya Pegawai Pemeriksa Aset mahir mengenai penjejasan supaya semasa pemeriksaan dilaksanakan, pemeriksa boleh mencadangkannya kepada PTJ.





Issues:

- Sources of Impairment Indicator?
- Reliable?
- Skills & Competencies of Accounting Staff?

EDISI 2021



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