

to demonstrate that the principles on recoverability of inventories are in sync with the rules of impairment.

By their nature, FRSs are wordy and in more times than not, one may need to read a certain paragraph (s) a few times to really comprehend what exactly the particular paragraph requires. Therefore, numerical illustrations have been included as these illustrations will always give better perspective and help one to apply the principles in a standard.

Similarly, illustrative notes to financial statements of selected public listed companies (PLCs) in Malaysia have been included to give readers a feel of how the disclosure requirements are being met. The PLCs selected are involved in a varied range of industries covering manufacturing, plantation, financial services, property development, construction, real estate investment trust, gaming and media. Readers should not be surprised to see the similarity in the accounting policies for impairment (some to the extent of same description/ wording) – this is as expected in order to comply with the FRSs.

I would like to dedicate this book to my husband and four children who have been very patient with me for all the long hours I have spent in my many years in the accounting profession and lately, in writing this book.

Hoh Kim Hyan

September 2011

TABLE OF CONTENTS

INTRODUCTION	1
FINANCIAL REPORTING STANDARDS GOVERNING ACCOUNTING FOR IMPAIRMENT	4
FRS 136 IMPAIRMENT OF ASSETS	5
IMPAIRMENT OF FINANCIAL ASSETS (FRS 139)	44
INVESTMENTS IN SUBSIDIARIES (FRS 127)	59
INVESTMENTS IN ASSOCIATES (FRS 128)	63
INTERESTS IN JOINT VENTURES (FRS 131)	75
PROPERTY, PLANT & EQUIPMENT (FRS 116)	78
INVESTMENT PROPERTY (FRS 140)	80
INTANGIBLE ASSETS (FRS 138)	84
NON-CURRENT ASSETS HELD FOR SALE (FRS 5)	85
INVENTORIES (FRS 102)	88
PROPERTY DEVELOPMENT ACTIVITIES (FRS 201 ₂₀₀₄)	93
TAXATION IN RELATION TO IMPAIRMENT LOSS	95
SOME PRACTICAL ISSUES	97
DISCLOSURE REQUIREMENTS	102
APPENDICES	114