Asset impairment provision for energy storage assets

Does IAS 36 apply to impairment of assets?
IAS 36 Impairment of Assets is the Accounting Standard that describes the requirements for impairment testing of assets if not covered by other specific Accounting Standards. It can therefore be a little confusing deciding whether IAS 36 applies or not. IAS 36 does not apply

What happens if an asset is impaired?
If an asset is carried at more than its recoverable amount,the asset is described as impairedand the Standard requires the entity to recognise an impairment loss.

What are the timing requirements for impairment testing by asset type?
Timing requirements for impairment testing by asset type are as follows: Intangible asset not yet available for use. IAS 36, but not included above. and the asset's residual value. IAS 36 requires an entity to assess at the end of each reporting period whether there is any indication that an asset or CGU may be impaired.

What happens if an asset's recoverable amount is less than its carrying value?
If an asset's recoverable amount is less than its carrying value,then the asset is impairedand IAS 36 requires that an impairment loss is recognised. IAS 36 details the procedures that an entity must follow to ensure this principle is applied and is applicable for the majority of non-financial assets.

Is entity a's asset impaired?
Market interest rates and returns on investments in general have increased during the period,indicating that Entity A's asset may be impaired(IAS 36.12(c)). Entity A's management is considering if it needs to estimate the recoverable amount of its asset.

What needs to be reviewed if an asset is impaired?
If there is an indication that an asset may be impaired,this may indicate that the remaining useful life,the depreciation (amortisation) method or the residual value for the asset needs to be reviewed and adjustedin accordance with the Standard applicable to the asset,even if no impairment loss is recognised for the asset.

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IFRS 9 significantly changes the methodology required for impairment provisioning on all financial assets held at amortised cost or at fair value through other comprehensive income, including accounts receivable balances. The overall approach within the standard is to replace the "incurred loss" model required by IAS 39 with an

AASB 116-compiled 6 STANDARD Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where ...

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International Accounting Standard 36 Impairment of Assets (IAS 36) is set out in paragraphs 1-141 and Appendices A-C. All the paragraphs have equal authority but retain the IASC ...

Recognising an impairment loss for an individual asset Practical insight - Impairment loss exceeds the carrying amount of the asset to which it relates An unallocated impairment loss for an individual asset (ie a loss exceeding the carrying amount of the asset in question) might arise if the asset is expected to generate negative net future ...

This Section looks at the scope of the impairment review (ie the types of assets that are included) and how it is structured (ie the level at which assets are reviewed). Assets ...

Impairment of Assets: a guide to applying IAS 36 in practice i Impairment of Assets International Accounting Standard 36 "Impairment of Assets" (IAS 36, the Standard) is not new. In fact, the Standard was first issued in 1998 and later revised in 2004 and 2008 as part of the International Accounting Standards Board"s (IASB"s) work on

loss assets and doubtful assets for NBFCs and HFCs as given below: Amendments issued by the scale based regulations (effective 1 October 2022) The RBI has issued detailed guidelines for NBFCs falling in the upper layer of SBR to adopt "differential standard asset provisioning norms"7 while computing the provisions on standard assets. These ...

IAS 36 details the procedures that an entity must follow to ensure this principle is applied and is applicable for the majority of non-financial assets. The standard also specifies when an ...

IFRS 9 significantly changes the methodology required for impairment provisioning on all financial assets held at amortised cost or at fair value through other comprehensive ...

Chapter 5: Long-lived asset impairment and assets held for sale Figure PPE 5-2 was added to . PPE 5.2 . to illustrate the model for assessing the impairment of long-lived assets that are held and used. PPE 5.2.1.1. was updated to include guidance for assessing the impairment of assets included within entity-wide asset groups. PPE 5.2.1.2

This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for stage 3 financial assets. For stage 3 financial assets, the entity would apply the effective interest rate to the amortized cost of the financial asset (i.e., net of the allowance) in subsequent reporting periods.

In April 2001 the International Accounting Standards Board (Board) adopted IAS 36 Impairment of Assets, which had originally been issued by the International Accounting Standards Committee in June 1998. That standard consolidated all the requirements on how to assess ...

Identifying the cash-generating unit to which an asset belongs IN10 The Standard carries forward from SSAP 31 the requirement that if an active market exists for the output produced by an asset or a group of assets, that asset or group of assets should be identified as a cash-generating unit, even if some or all of the output is used internally.

Which Accounting Standard applies? IAS 36 Impairment of Assets is the Accounting Standard that describes the requirements for impairment testing of assets if not covered by other specific Accounting Standards. It can therefore be a little confusing deciding whether IAS 36 applies or not. IAS 36 does not apply. The following assets are excluded from the scope of IAS 36, with ...

Climate-related stranded assets have been a popular research topic of many studies over the last decade. This topic is associated with sustainable energy transitions, specifically from fossil fuels to cleaner fuels and technologies, in which efforts to limit the average global temperature to rise well below 2 °C or even further 1.5 °C require significant emissions ...

credit impairment and asset impairment of certain assets, representing an increase of ... Group made a provision for impairment of fixed assets of RMB73.2587 million in 2020. ... indicators of the relevant assets of Vensys Energy AG, which is a subsidiary of the Company. Based on the test results, the Group made an impairment provision of ...

and GASB 42 for impairments of utility and electric co-op fixed assets is a reality in today''s energy markets. The issue is how to recognize impairment losses while recovering ...

The core principle in IAS 36 is that an asset must not be carried in the financial statements at more than the highest amount to be recovered through its use or sale. If the carrying amount ...

Asset: Test if indicator of impairment present during the course of or at the end of the reporting period: Test at least annually: Goodwill; Indefinite life intangible asset; Intangible asset not yet available for use. Yes: Yes: All other ...

Impairment losses cannot be reversed merely due to the passage of time or asset depreciation (IAS 36.114-116). An asset''s book value increase due to an impairment loss reversal must not exceed what it would have been, ...

Impairment Assets versus Provisions. a) Impairment. The concept of impairment of assets, clearly introduced in IFRS and, specifically in IAS 36, refers to the amount by which the carrying amount of an asset (or a cash-generating ...

This Standard defines provisions as liabilities of uncertain timing or amount. In some countries the term "provision" is also used in the context of items such as depreciation, impairment of assets and doubtful debts: these are adjustments to the carrying amounts of assets and are not addressed in this Standard.

IAS 36 requires an entity to a perform a quantified impairment test (ie to estimate the recoverable amount): goodwill acquired in a business combination. Timing requirements for impairment testing by asset type are as ...

of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Useful life. is: (a) the period over which an asset is expected to be available for use by an ...

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Asset impairment is different from depreciation, which is a planned and gradual decline in value, while impaired assets have sudden and sharp drops in value due to various factors.

When applying the impairment requirements of IFRS 9, a financial asset recognised following a drawdown on a loan commitment should be viewed as a continuation of that commitment, rather than a new financial instrument.

2. This Standard shall be applied in accounting for the impairment of all assets, other than: (a) inventories (see AASB 102 Inventories); (b) assets arising from construction contracts (see AASB 111 Construction Contracts); (c) deferred tax assets (see AASB 112 Income Taxes); (d) assets arising from employee benefits (see AASB 119

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36(IAS 36 Impairment of Assets),,(recoverable amount)? ...

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