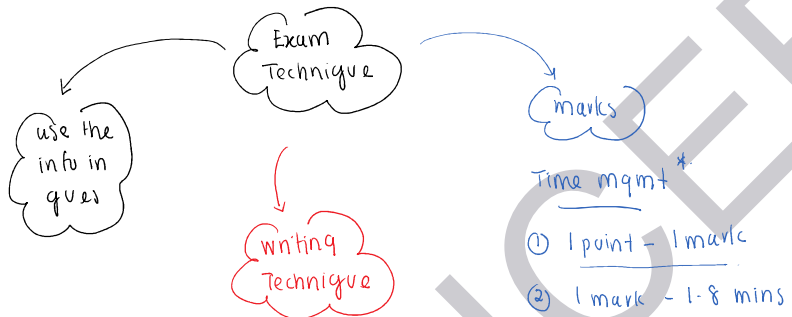
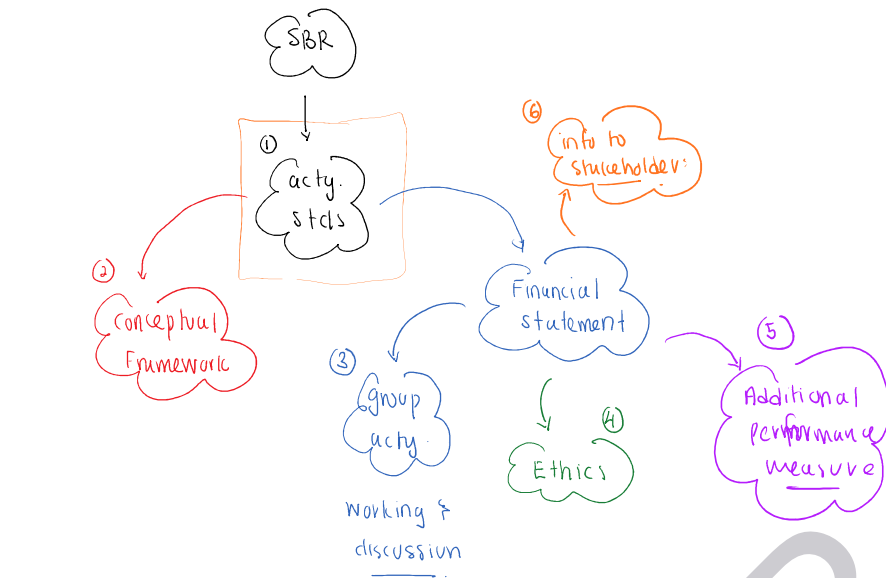
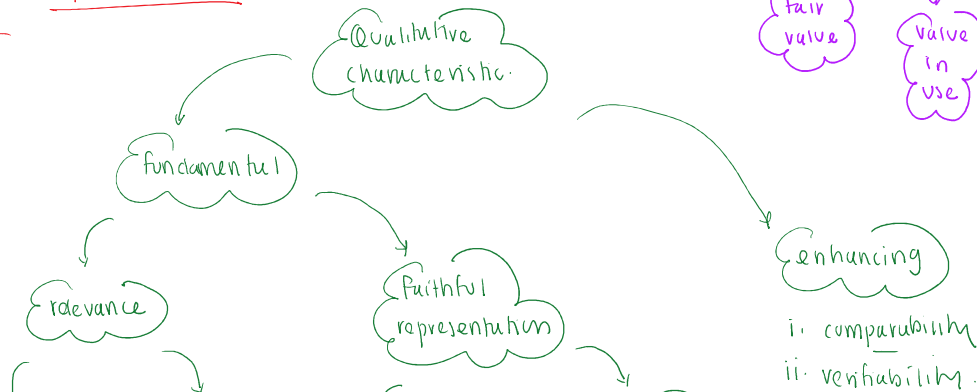
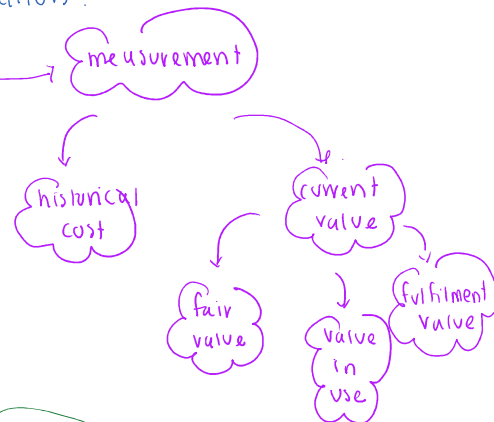
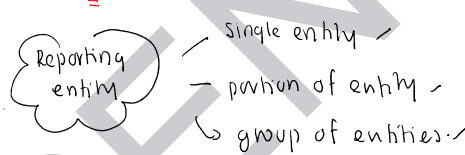
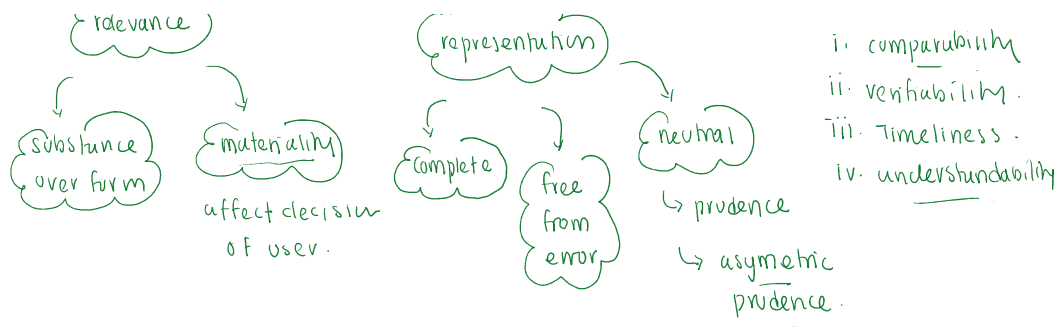




- Expenses**
- ✓ decrease in economic resource as a result of outflow of asset that resulted in decrease in equity.
 - ✓ present economic resource control by entity
 - ✓ a right that has the potential to produce economic benefit.
 - ✓ a present obligation to transfer economic resource.
 - ✓ a duty of responsibility that entity has no practical ability to avoid.

3 steps approach.





$$FV - CA$$

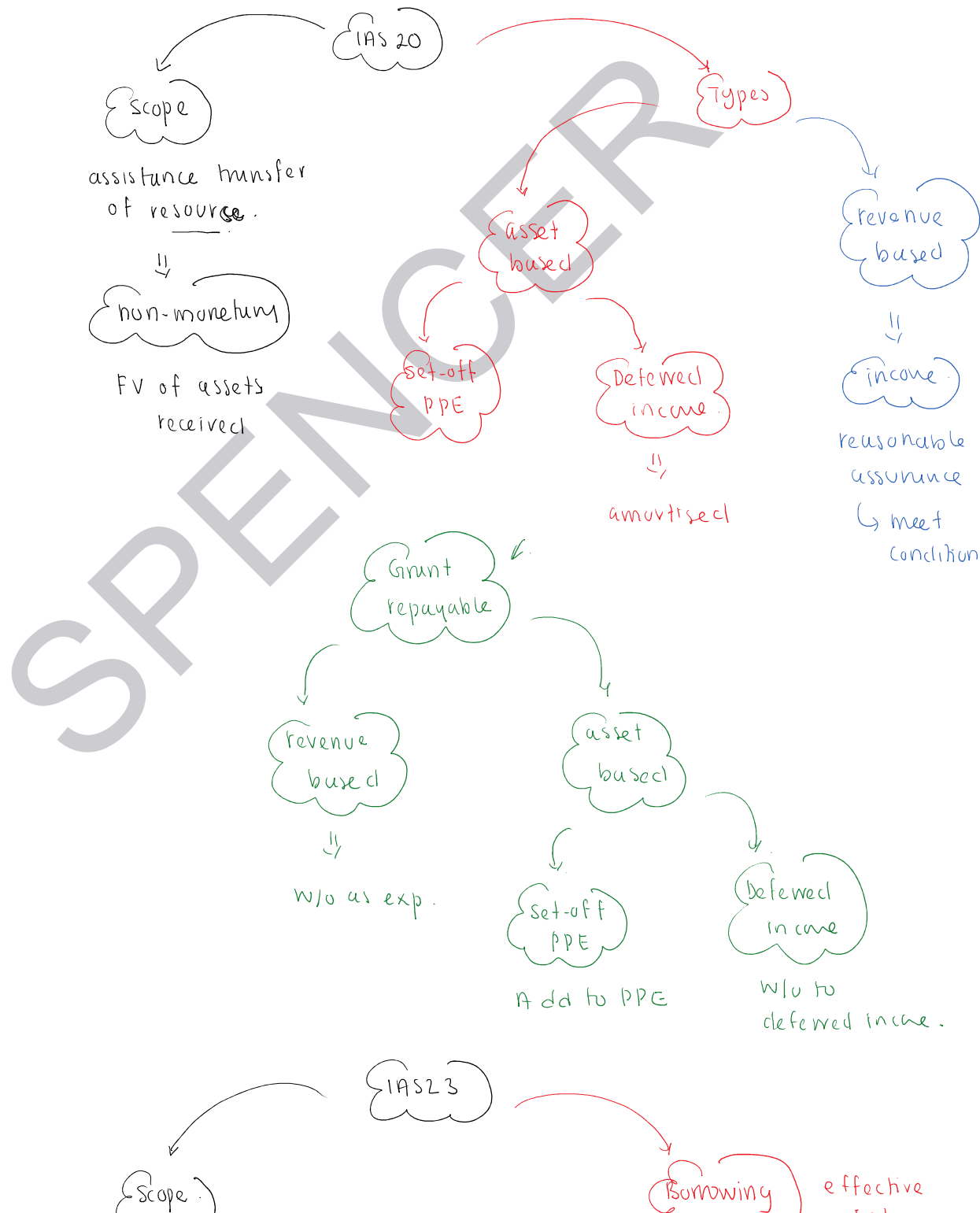
$$CA \times \frac{PV \text{ of lease payment}}{FV}$$

Disposal price
below FV

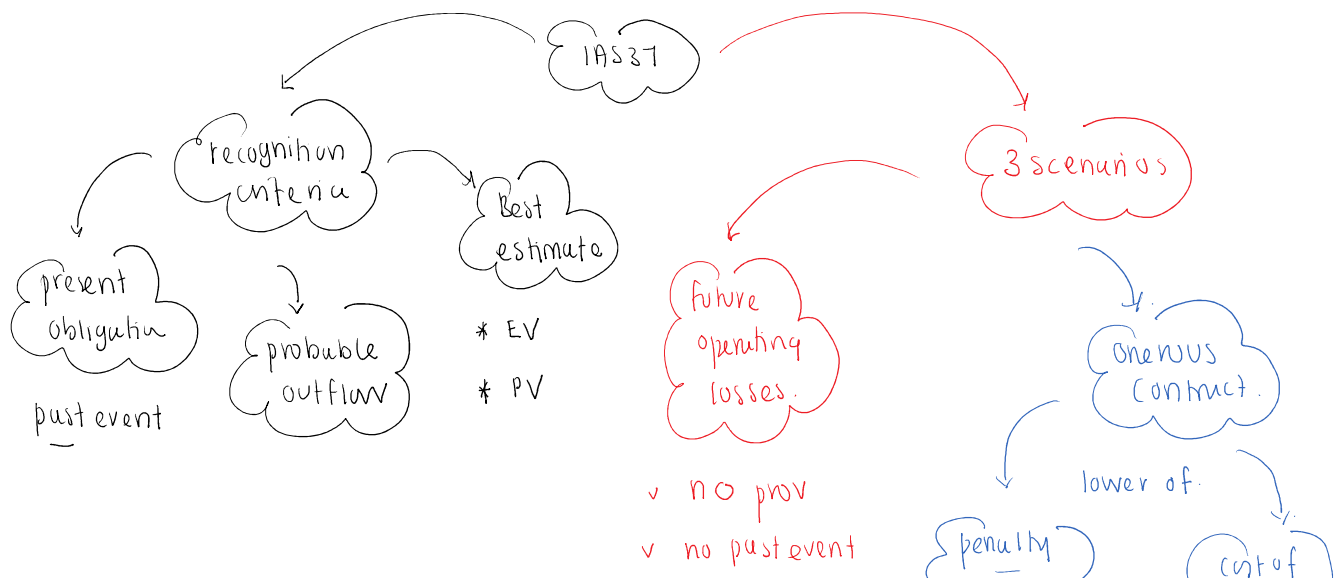
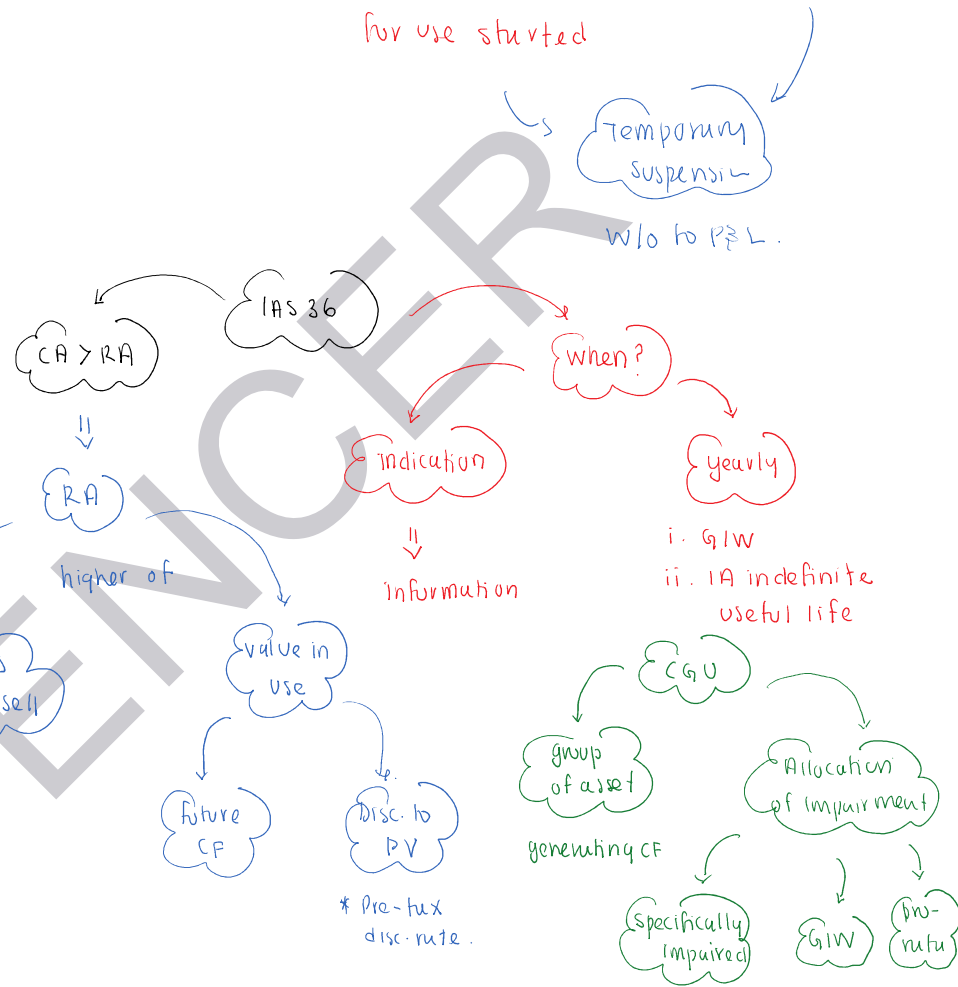
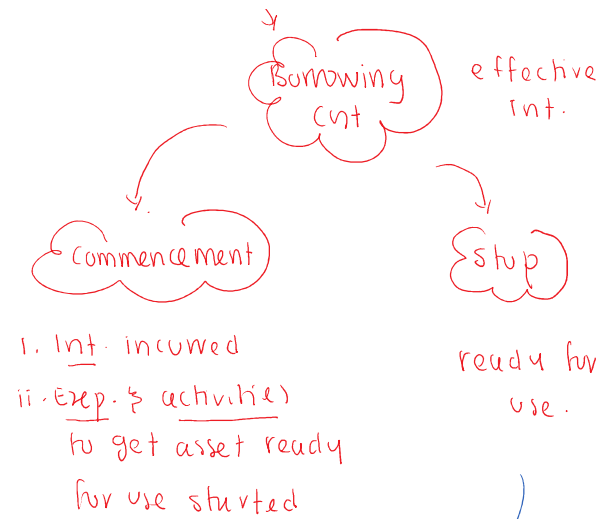
shortfall is the
prepayment

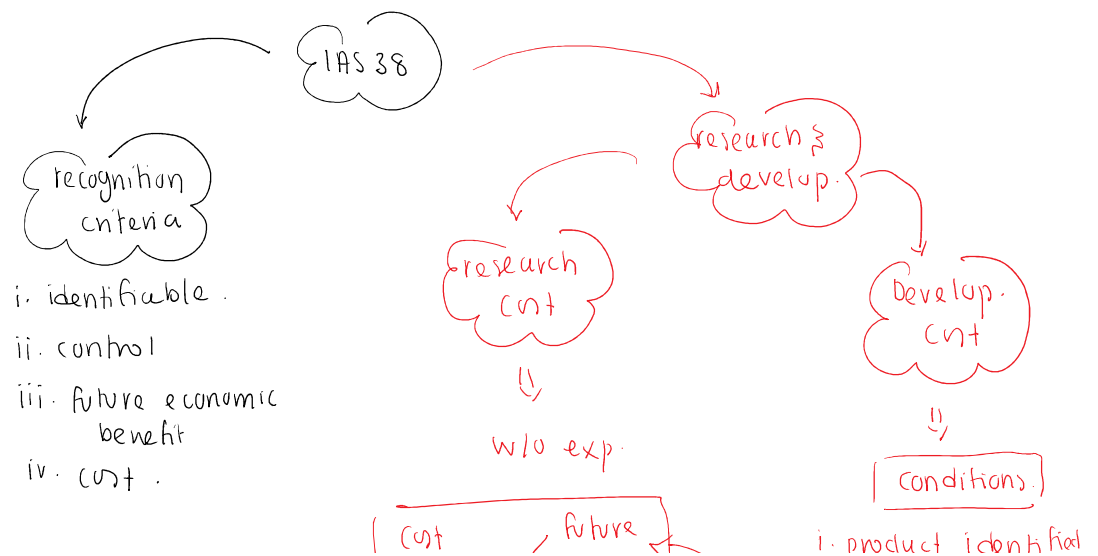
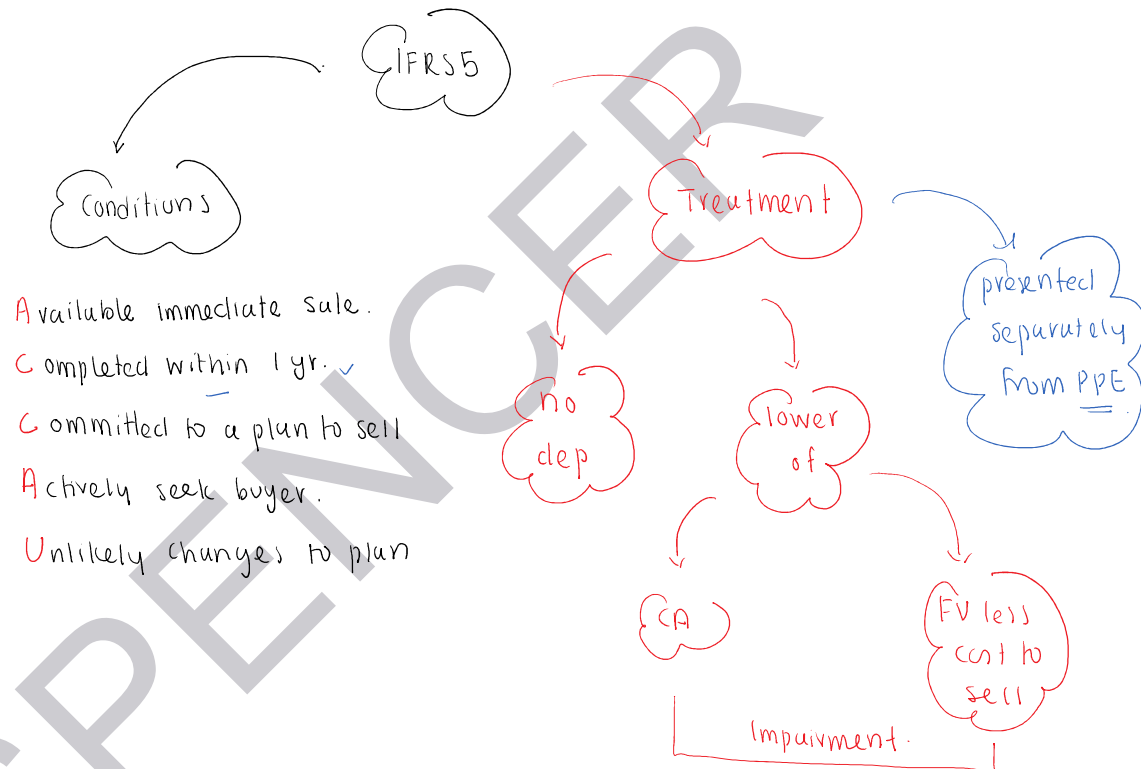
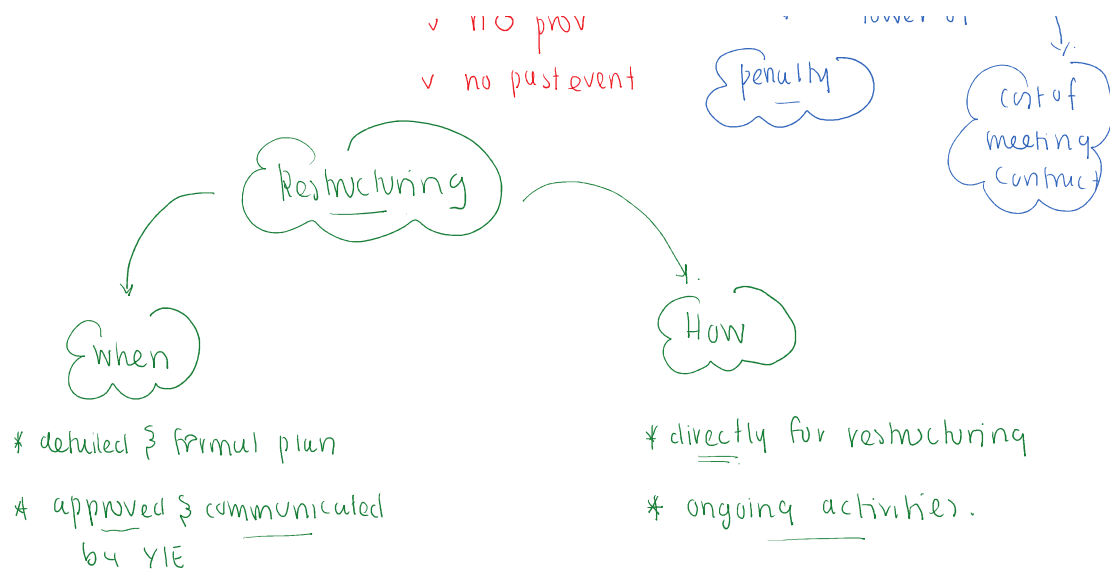
Disposal price
above FV

excess payment
is a loan



Scope
Int. on a loan
Qualifying asset
⇓
time to get ready for intended use.





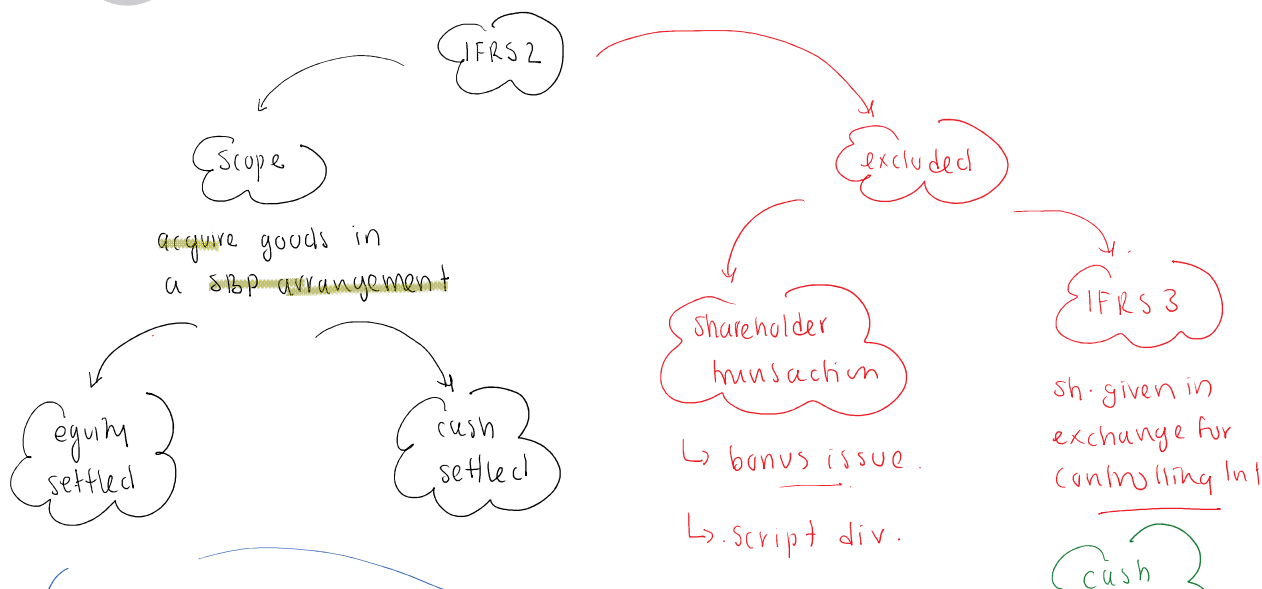
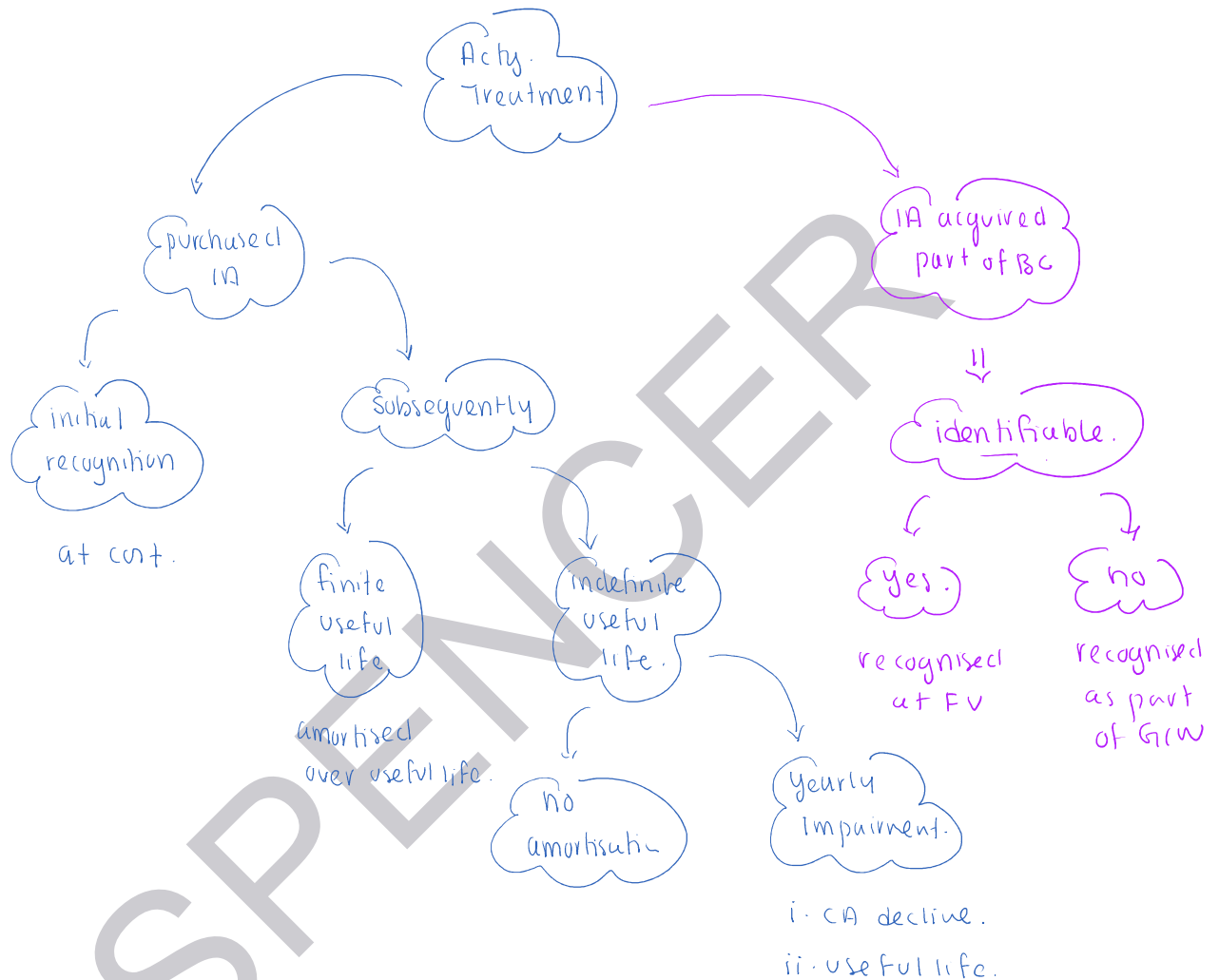
iv. cost.

cost capitalised < future economic benefit

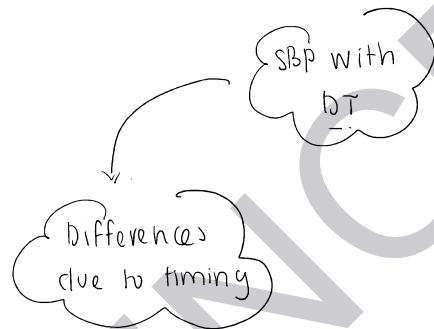
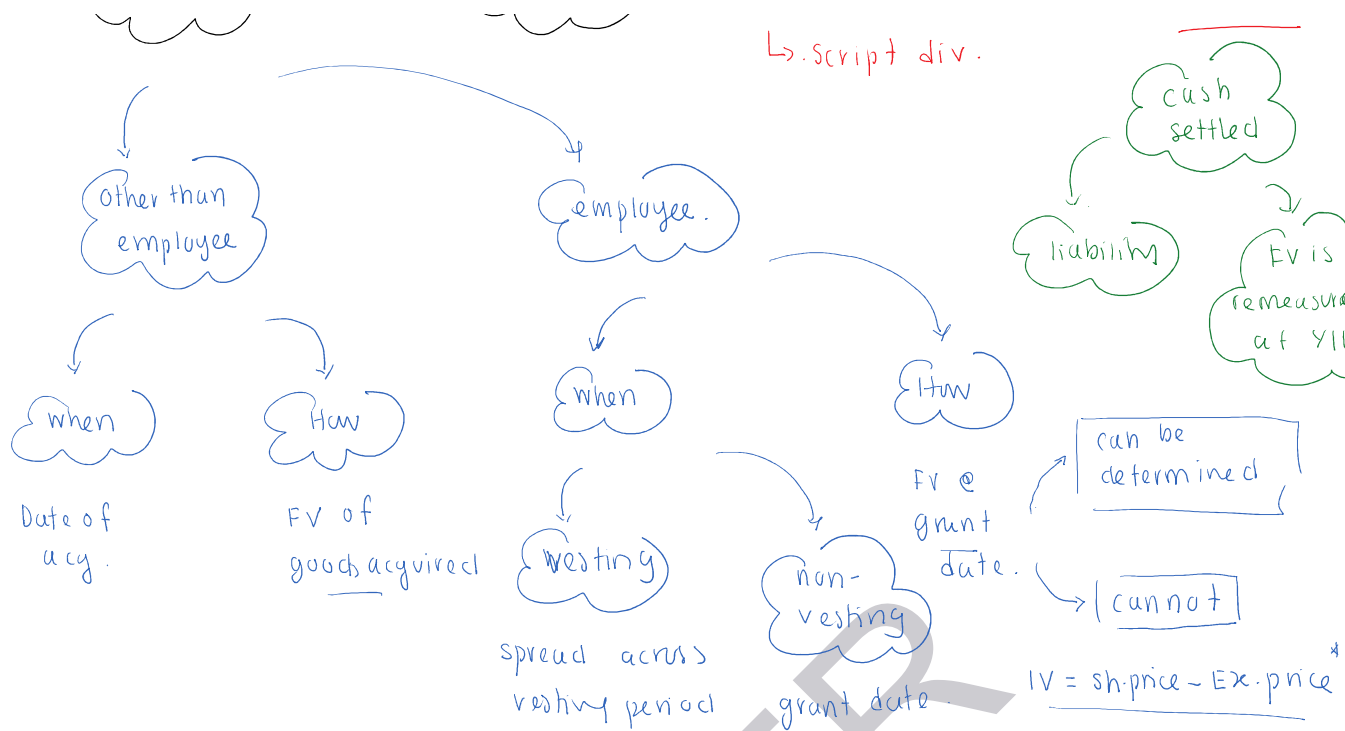
once w/o cannot be recapitalised

Conditions

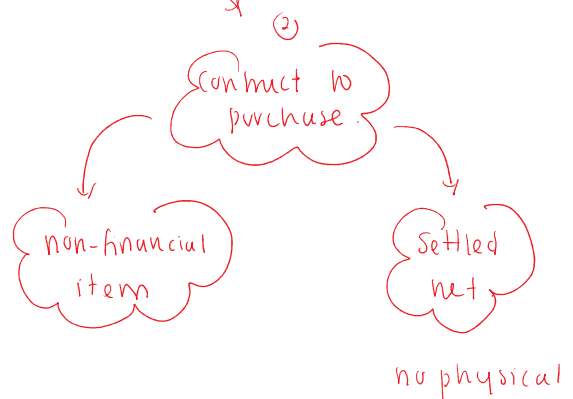
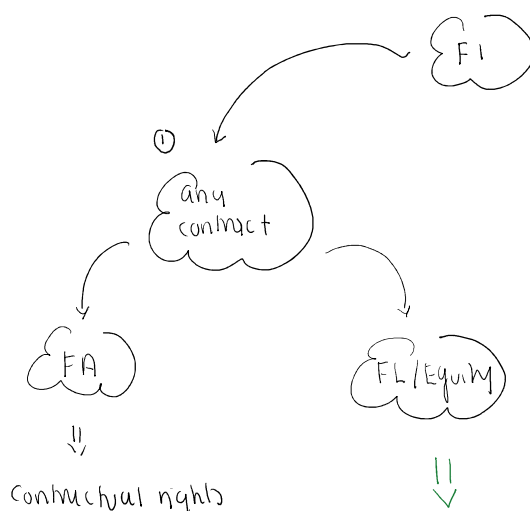
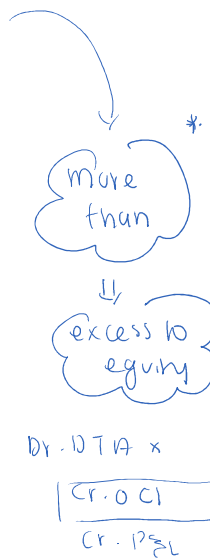
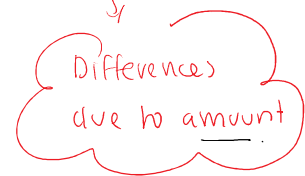
- i. product identifiable
- ii. technical feasibility
- iii. intention to use / sell
- iv. use - useful sell - mkt.
- v. adequate resources



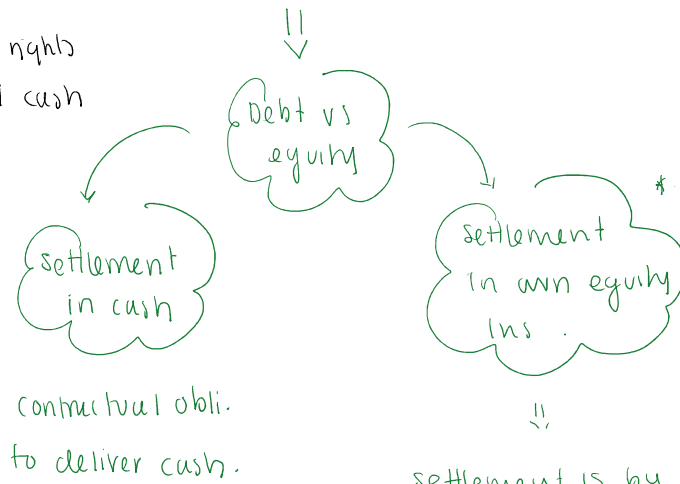
↳ script div.



$$DTA = (CO - \text{Tax deduction}) \times \%$$



Contractual rights
to received cash

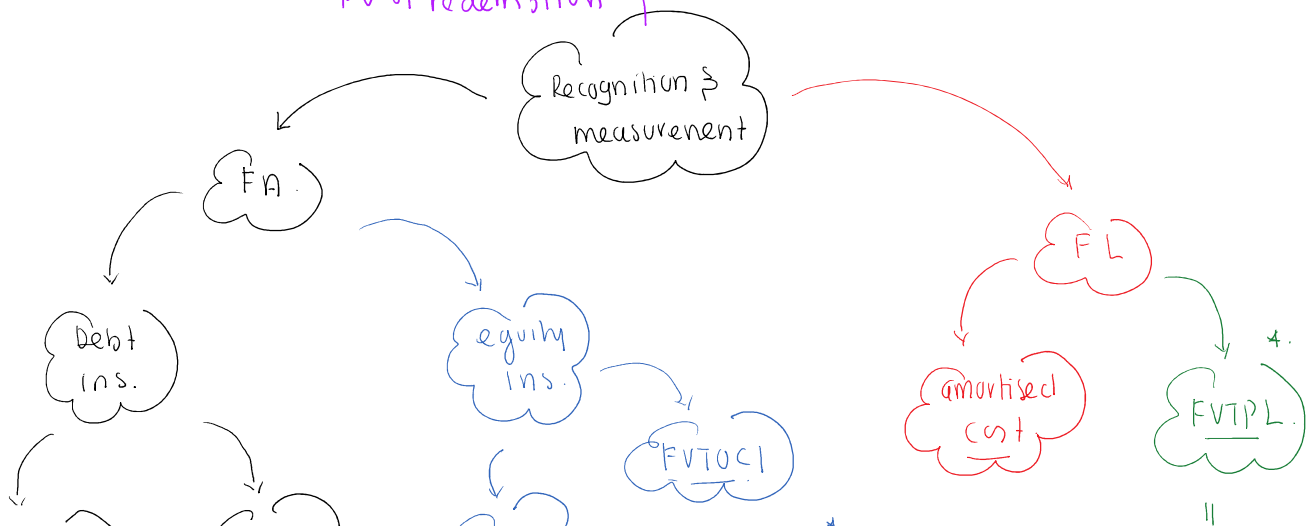
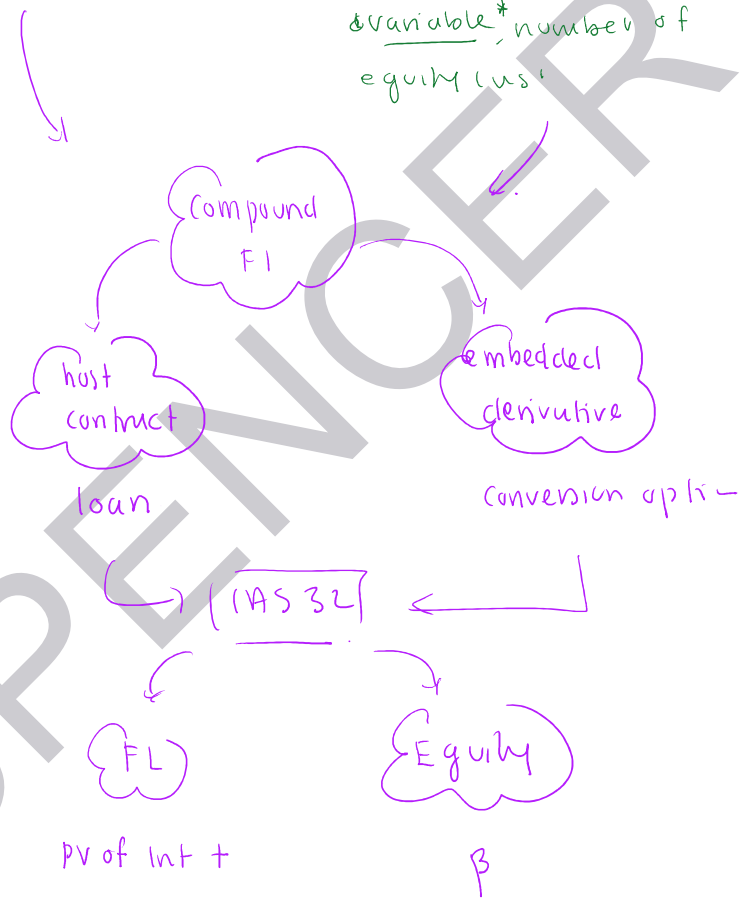


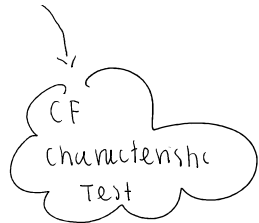
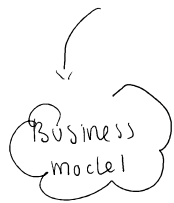
no physical delivery.

Derivative

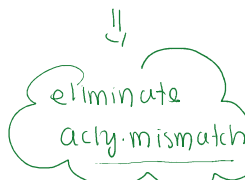
value L
value &
under
item

settlement is by an exchange of a fixed* amount of cash with & variable* number of equity ins.





- i. not HFT.
- ii. designated on initial recognition.



* objective to collect contractual CF

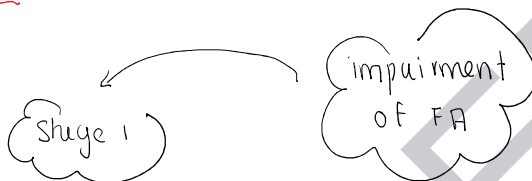
- i. int.
- ii. principal



recognition inconsis from using other basis.

* However, intention to sell, → FVTOCI

if changes in F is due to chan in credit risk



- ✓ initial recognition
- ✓ expected credit losses
- ✓ 12-mths.



- * Credit risk increases.
- * lifetime credit losses



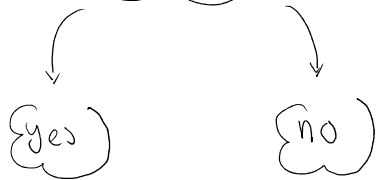
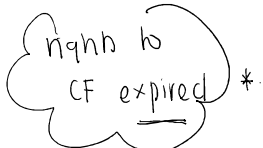
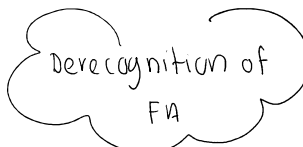
- * objective evidence.
- * impairment review.

* CA vs PV of future CF

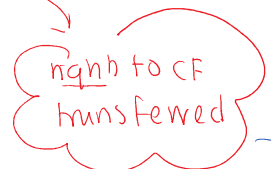
\$1000	↓	future CF
—	↓	\$5

↓
reduce CA

Expected credit losses →
Dr. P&L. x
Cr. Allowance for credit losses. x



Derecognised



transfer substantially risk & reward



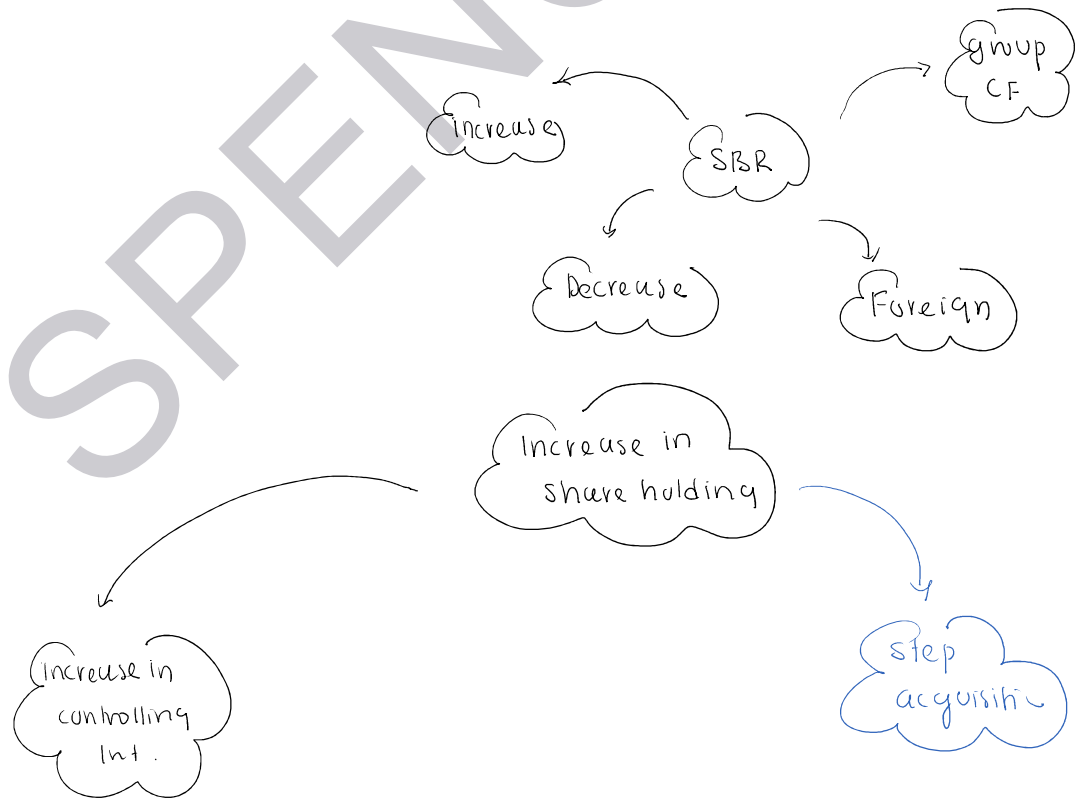
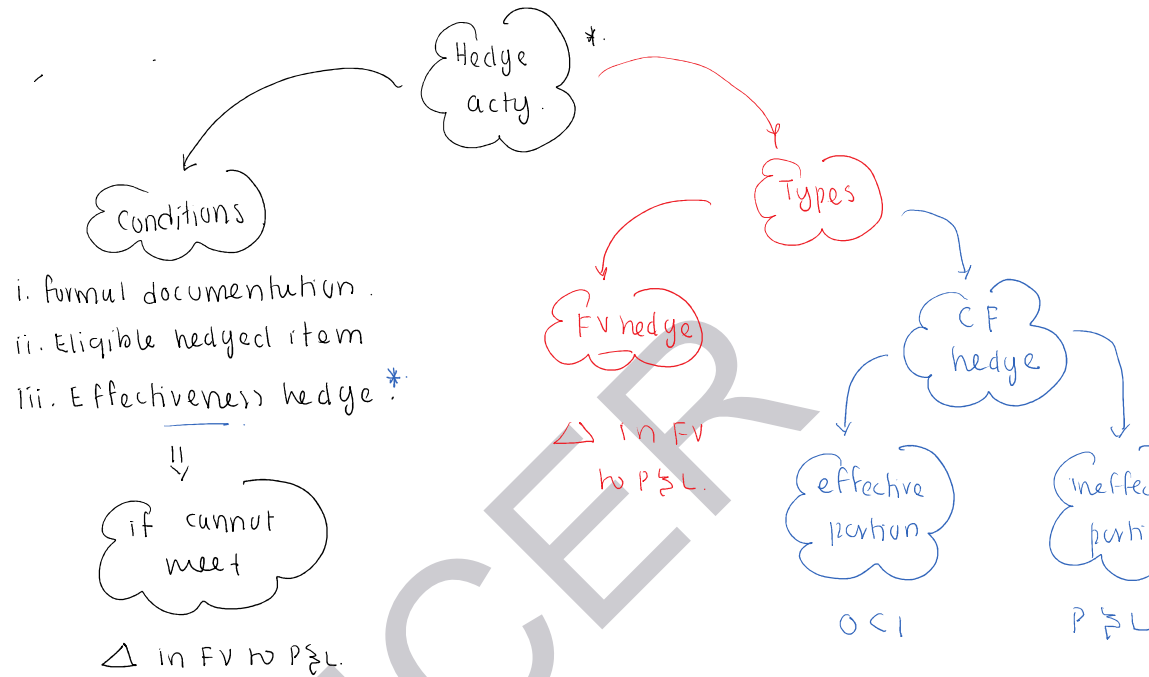
assume obligat

1. risk & reward

1 obligation

(yes)
 be recognised
 (no)
 cannot

- i. pay when received
- ii. loss control
- iii. material details



Gain / (loss) on increase in interest

PC x CV-Bank.
 (-) NCI @ date of Increase *
 NCI @ DIA x

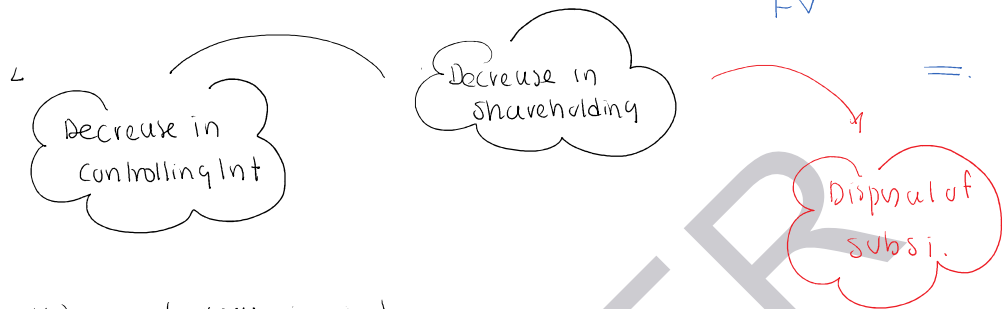
GIW * when achieved control

PC - 50% x
 * FV of previously held Int. x
 NCI x

(-) NCI @ Date of Increase.

NCI @ DVA (x) % acquired 10% (x) Dr. NCI
 (+) pnt - π Gain / (loss) to equity = Dr. OCI

* FV of previously held int. x
 NCI x
 Gain / (loss) on restatement (x)
 GLW x



Gain / (loss) on decrease in int.

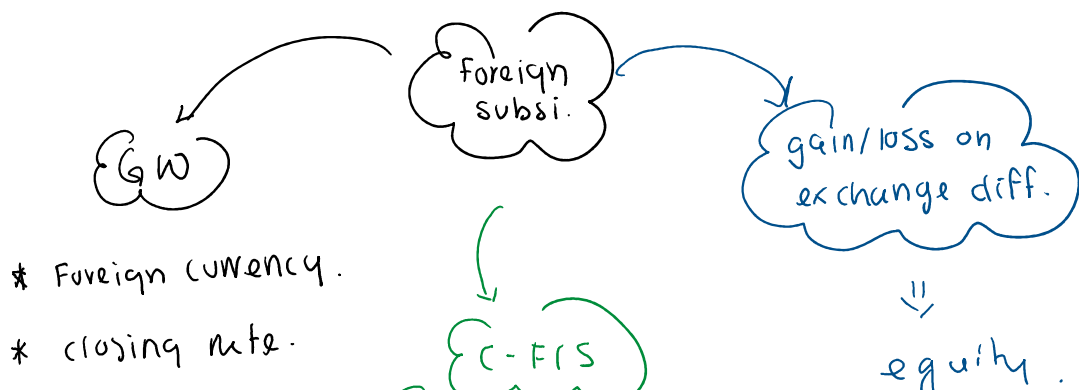
Proceeds. x
 (-) NA @ Date of decrease
 NA @ DVA x
 (+) pnt - π x
 (+) GLW remaining * x
 (x) % decrease % (x)
 Gain / (loss) to equity. x

Gain / (loss) on disposal

Proceeds - 40% x
 FV residual int - 30% x
 NCI - (30%) x
 (-) NA @ Date of disposal (x)
 (-) GLW remain... (x)
 Gain / (loss) to P&C x

Disposal of Assu.

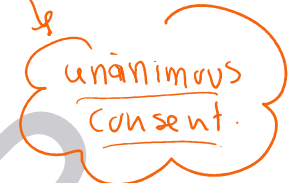
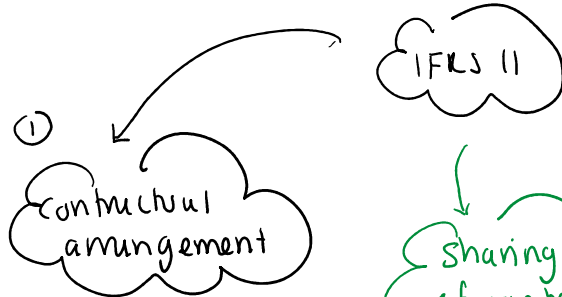
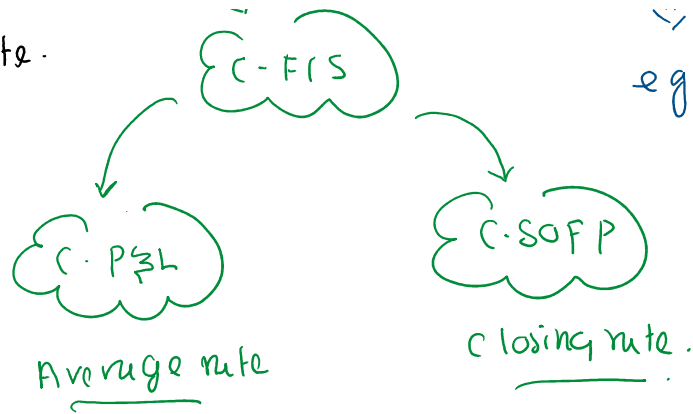
Proceeds - 20% x
 FV residual int - 10% x
 (-) Inv. in Assu. (x)
 equity.



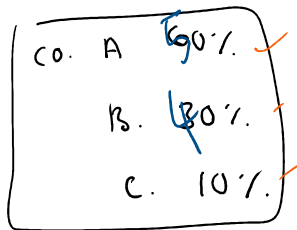
* Foreign currency.
 * closing rate.

* closing rate.

equity.

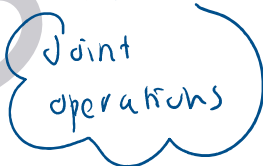


all parties must agree or do not object.



* all decision considered collectively.

* any decision making need at least 85% approval.



no new entity.



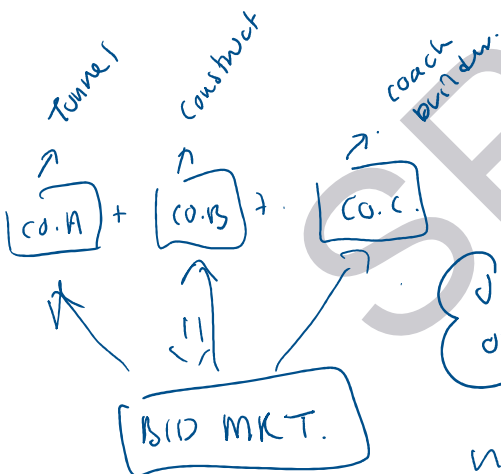
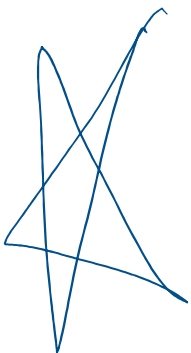
include our share of assets & liabilities income & exp.

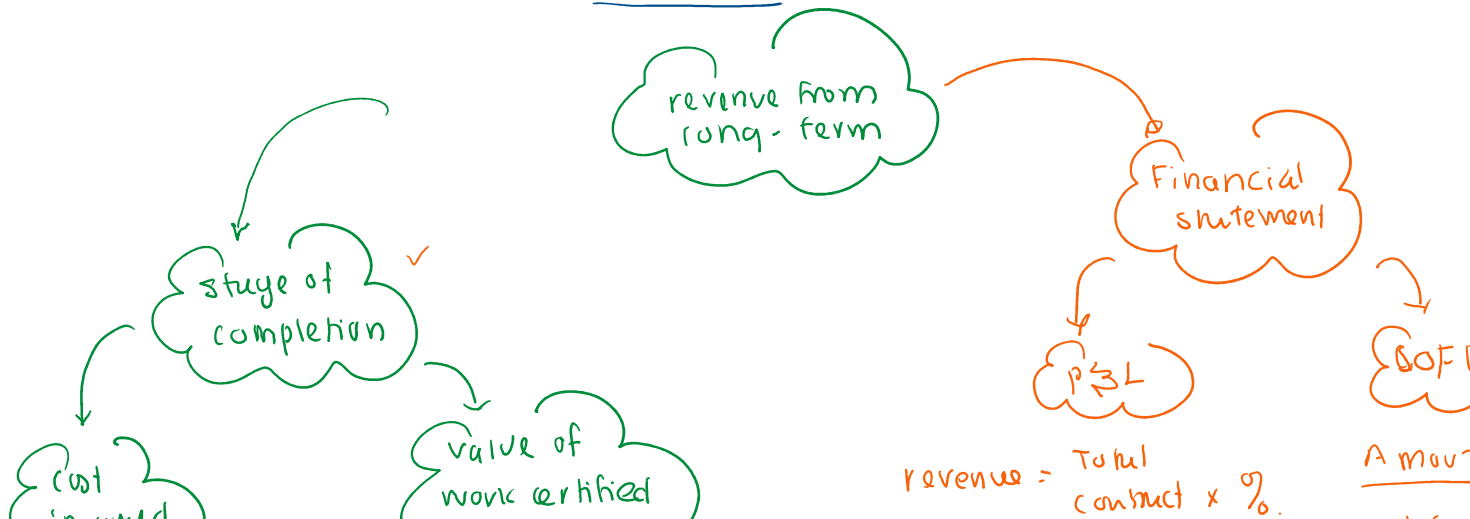
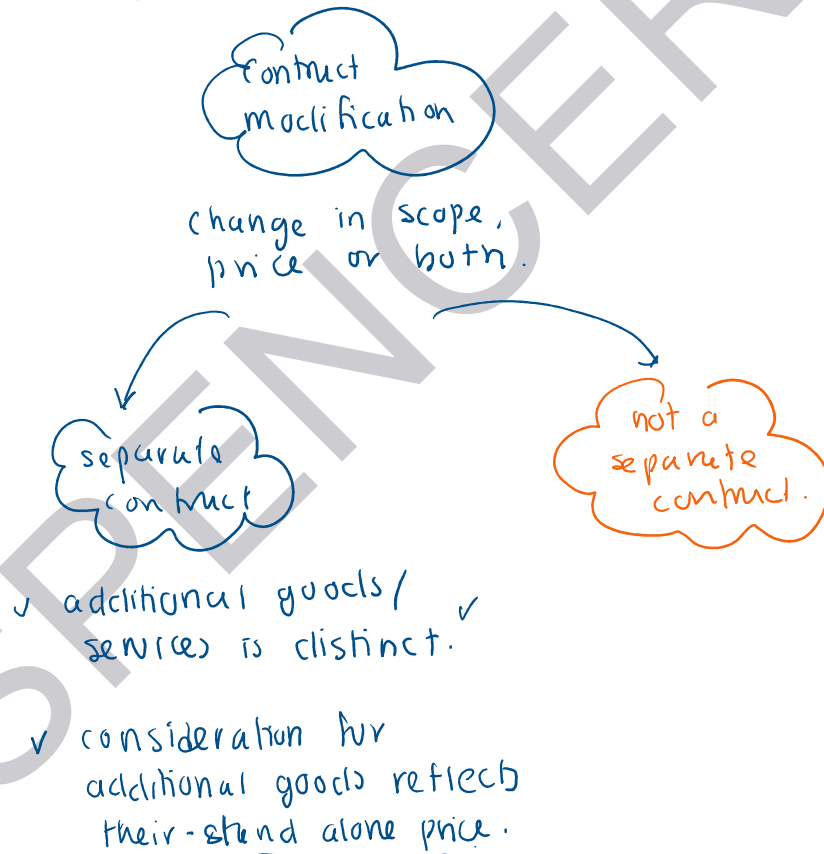
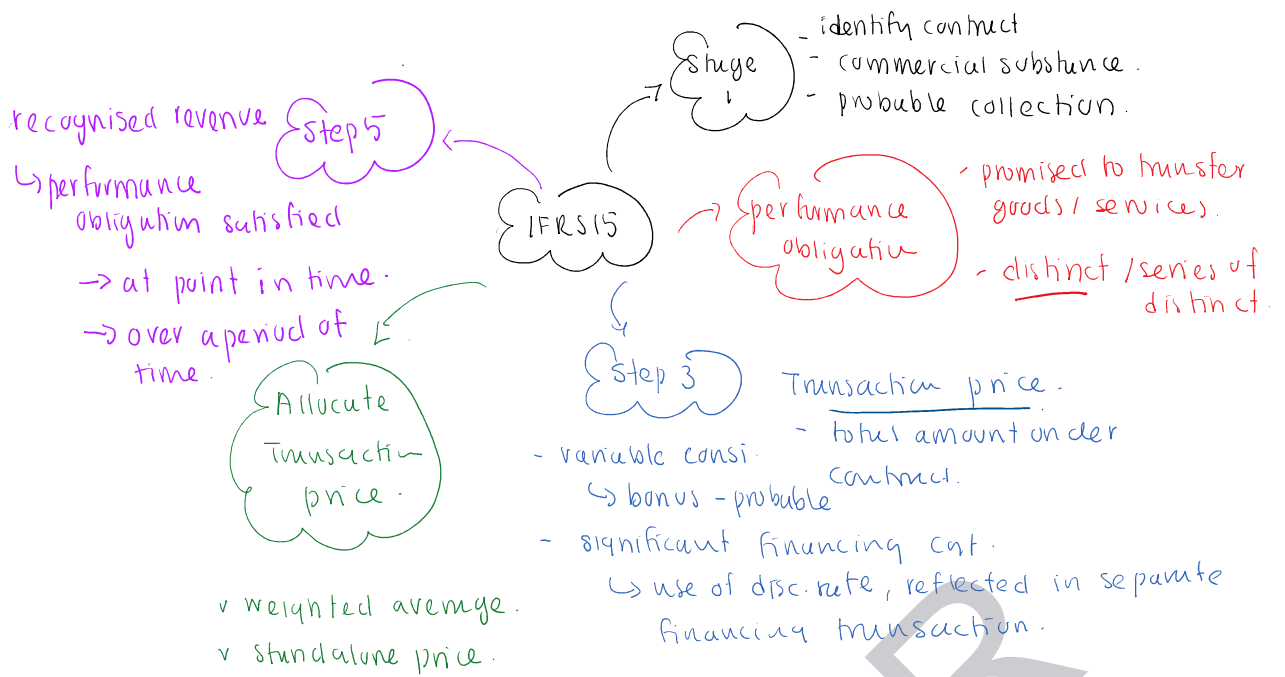


new entity.

equity acty.

Inv. in JV.	
PC.	x
crptnt. n.	x
	x
	=





cost incurred

value of work certified

$$\% = \frac{\text{cost incurred}}{\text{total cost}}$$

$$\% = \frac{\text{value of work certified}}{\text{Total contract price}}$$

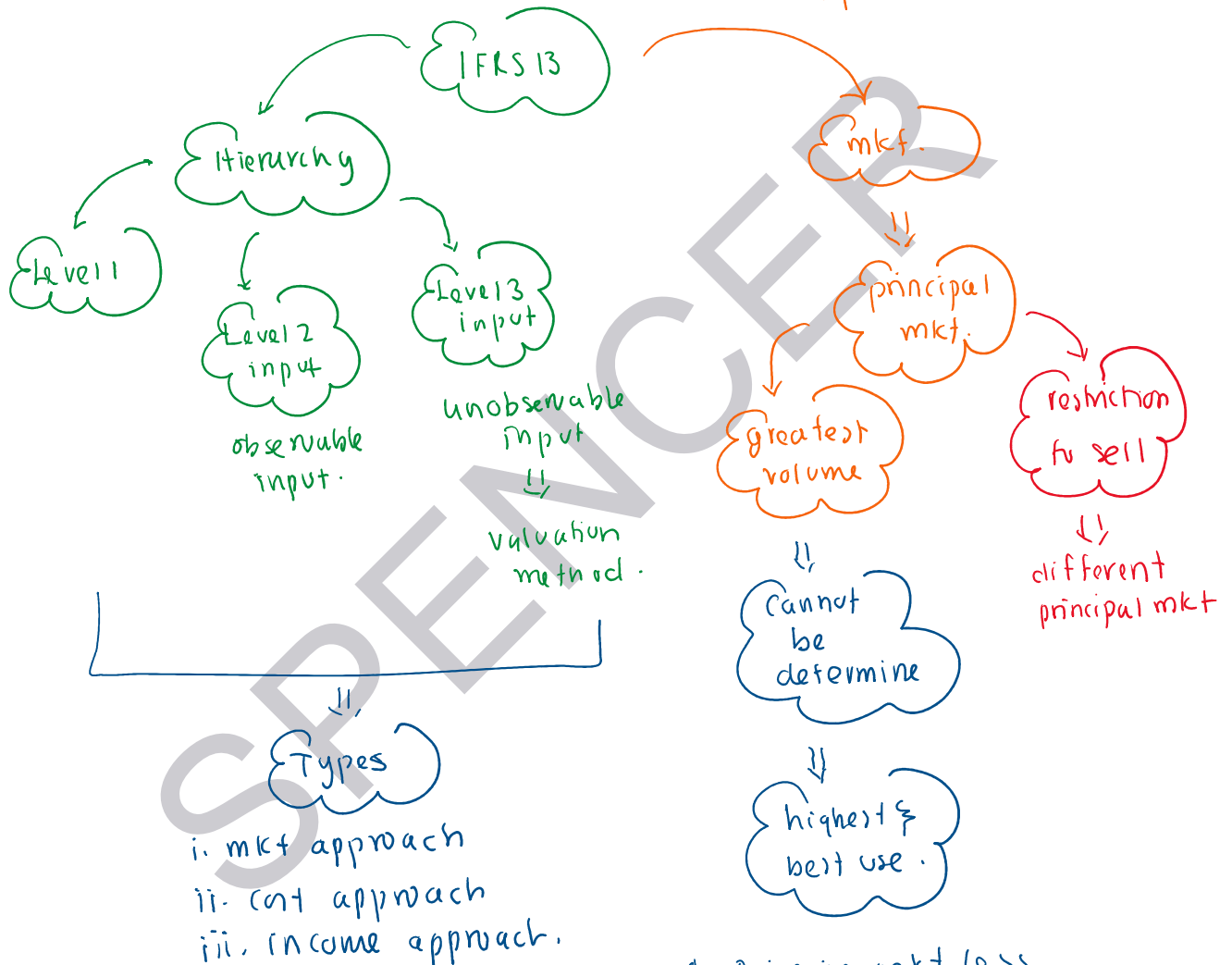
$$\text{revenue} = \frac{\text{Total contract} \times \%}{\text{price}}$$

$$\text{cost of sales} = \frac{\text{Total contract} \times \%}{\text{cost}}$$

Amount
cost incurred
contract
price

* completion of contract subject to uncertainty.

→ recognised revenue up to cost incurred



* Price in mkt less.
transaction &
transport cost.