

Impairment Test Summary Report

Asset Valuation

Company Information

Company Name	Sample Company Ltd.
Report Date	30 June 2024
Prepared By	John Doe
Asset ID / Reference	Asset-0123

Asset Information

Asset Description	Manufacturing Equipment - XYZ Model
Location	Plant 2, Industrial Park
Date of Acquisition	15 March 2021
Initial Cost	\$500,000
Carrying Amount (Before Test)	\$390,000

Impairment Test Details

Testing Method	Value in Use (Discounted Cash Flow Method)
Key Assumptions	<ul style="list-style-type: none">Discount Rate: 9.5%Forecast Horizon: 5 yearsEstimated Residual Value: \$60,000
Recoverable Amount	\$340,000
Impairment Loss Identified	\$50,000

Conclusion and Recommendation

Based on the impairment testing performed as at 30 June 2024, the recoverable amount of the asset is determined to be lower than its carrying amount. An impairment loss of \$50,000 should be recognized in the financial statements for the reporting period. It is recommended to adjust the carrying amount of the asset accordingly and reassess periodically as per accounting standards.

Important Notes:

- This report is prepared for financial reporting purposes and in accordance with applicable accounting standards (e.g., IAS 36 or local GAAP).
- Assumptions and estimates used in the impairment test should be reviewed and updated regularly.
- Supporting documentation and calculations should be retained for audit and compliance purposes.
- Consultation with qualified valuation and accounting professionals is recommended in complex or material cases.

