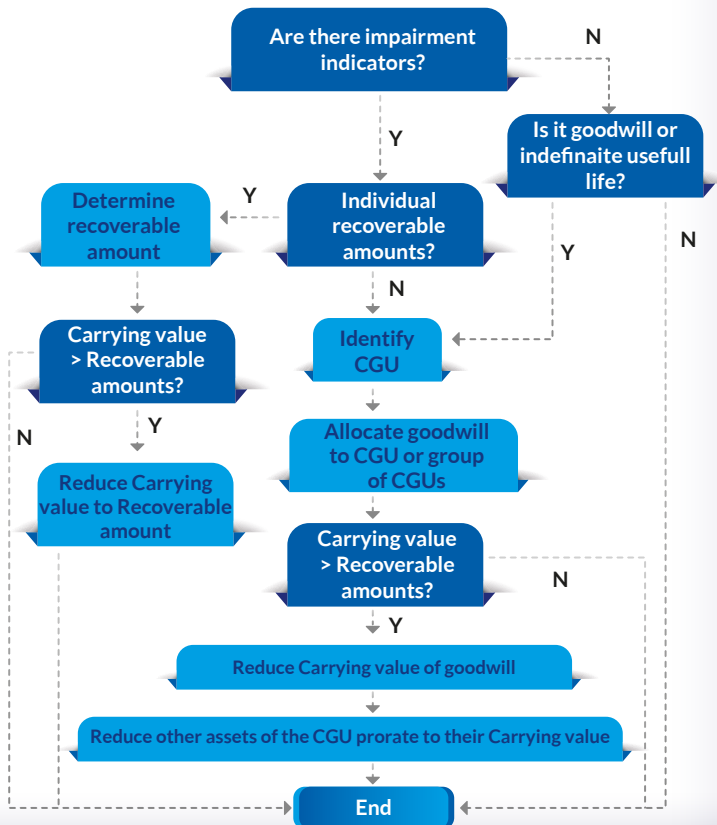


# Impairment Testing of Assets

## Introduction

Insights have an experienced team of financial consultants, IFRS specialists and accountants who work together to assist our clients in the impairment testing of assets (individual or group). We assist companies seeking impairment testing for year end financial statement preparation so it can corroborate with the auditors workings.

## Our Methodology for Impairment Testing of Assets



## Key Areas of Analysis:

- Review the existing assets and allocate it to CGUs.
- Obtaining cash flows from the client based on most recent forecast / budget for current asset/ CGU conditions.
- Consider indicators of impairment for each relevant asset. If an indicator exists, determine the recoverable amount of that asset.

## Transformation of Fundamental Data to Market Value Determination

- Review factors as per IAS 36 for inclusion in Valuation Model.
- Review forecasts for inclusion of the most recent information.
- Calculating value in use of fixed assets
- Calculation of the cost of capital by determining risk-free rate, market risk premium, beta factor and growth rate based on accredited methods
- Determination of terminal value
- Calculation of the value of the business using Net assets and/or discounted cash flow method (DCF)

## Delivery of Impairment Testing Report

- Comparing Value in Use with Carrying value of assets and calculate impairment loss if any.
- Preparation of complete disclosure for fixed assets and its recoverable amount working as per IFRS.
- Finalize report and analysis, to date of closing
- Final review and sign-off with company auditor