

One-Day Workshop

## ACCOUNTING FOR CONSTRUCTION, PROPERTY DEVELOPMENT AND REAL ESTATE ACTIVITIES

(FRS 111, FRS 123, FRS 201<sup>2004</sup> and IC Interpretation 15)

September 23, 2010 | Seri Pacific Hotel Kuala Lumpur

Name of Participant \_\_\_\_\_

Position \_\_\_\_\_  
 MICPA Member  Others

Name of Participant \_\_\_\_\_

Position \_\_\_\_\_  
 MICPA Member  Others

Name of Participant \_\_\_\_\_

Position \_\_\_\_\_  
 MICPA Member  Others

Contact Person \_\_\_\_\_

Name of Organisation \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Tel No. \_\_\_\_\_ Fax No. \_\_\_\_\_

Email \_\_\_\_\_

Confirmation of registration is on first-come first-serve basis. Please photocopy the registration form if additional copies are required.

### Payment by:

Cheque: Enclosed is a crossed cheque No. : \_\_\_\_\_ for RM \_\_\_\_\_  
made payable to "MICPA" being payment of the registration fee for the Workshop.

Credit Card: Please charge my credit card  
 Visa  MasterCard  JCB for RM \_\_\_\_\_ Issuing Bank: \_\_\_\_\_

Credit Card Number: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Cardholder's Name: \_\_\_\_\_ Signature (as per card): \_\_\_\_\_

For further information, please contact

#### The CPD Department

#### THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur

Tel : 03-2698 9622 Fax : 03-2698 9403

E-mail: victor.edu@micpa.com.my or salmiah.edu@micpa.com.my

Website: www.micpa.com.my

## ACCOUNTING FOR CONSTRUCTION, PROPERTY DEVELOPMENT AND REAL ESTATE ACTIVITIES

(FRS 111, FRS 123, FRS 201<sup>2004</sup> and IC Interpretation 15)

HRDF Claimable  
Under SBL Scheme

September 23, 2010  
Seri Pacific Hotel  
Kuala Lumpur

### WORKSHOP HIGHLIGHTS

- ▶ FRS 111 - Construction Contracts
- ▶ FRS 123 - Borrowing Costs
- ▶ FRS 201<sup>2004</sup> - Property Development Activities
- ▶ IC Interpretation 15 - Agreement for Construction of Real Estate (effective July 1, 2010)

Continuing Professional Development

Organised by



The Malaysian Institute of Certified Public Accountants  
(Institut Akauntan Awam Bertauliah Malaysia)



# ACCOUNTING FOR CONSTRUCTION, PROPERTY DEVELOPMENT AND REAL ESTATE ACTIVITIES

The accounting treatment for construction contracts and property development activities are generally very similar in nature. The primary issue in both areas is the recognition of revenue and costs to the accounting period in which work is performed as the activities usually span more than one accounting period. However, there are also very significant differences in accounting for both of these areas.

The principles involved in the accounting treatment of construction contracts and property development activities are both complicated and onerous.

The Workshop will cover the following:

- FRS 111, Construction Contracts, prescribes the accounting treatment of revenue and costs associated with construction contracts. The Standard deals with the recognition of contract revenue and contract costs and the basis of allocation to the accounting periods in which construction works is performed.

- FRS 123, Borrowing Costs, prescribes the accounting treatment for interest and other costs incurred by an entity in connection with the borrowing of funds.

- FRS 201<sup>2004</sup>, Property Development Activities, prescribes the accounting treatment for revenue, costs and land held for future development in the financial statements of an entity undertaking property development activities. This FRS has been replaced by IC Interpretation 15 – Agreement for Construction of Real Estate with effect from 1 July 2010.

- IC Interpretation 15 - Agreement for Construction of Real Estate. Entities involved in real estate activities are required to apply the accounting guidance in IC Interpretation 15 to determine the point at which revenue from real estate activities are recognised. In doing so, entities are required to determine whether the sale and purchase agreement constitutes construction service contracts or sale of goods with their respective accounting treatments.

The Workshop aims to discuss the important aspects of these FRSs and IC Interpretation and to highlight the major areas of difficulty in measuring and recognising revenue and costs associated with constructions contracts and property development/ real estate activities.

## WHO SHOULD ATTEND

- ▶ Company directors and CEOs
- ▶ CFOs and financial controllers
- ▶ Finance and tax managers
- ▶ Tax consultants
- ▶ Accountants
- ▶ Auditors
- ▶ Business advisors
- ▶ Others who are interested to know more about accounting for construction, property development and real estate activities

## REGISTRATION

Registration Fee: (per participant)	MICPA Members	RM350.00
	Others	RM425.00

Staff of MICPA members' firms who are not MICPA members are entitled to the preferential rate of registration fee (RM350.00 per participant) provided the firm registers at least 3 participants for the Workshop.

The registration fee covers documentation, lunches and coffee breaks.

**MICPA CPD Hours** : 8 Hours  
**MIA CPE Hours** : 8 Hours

**Closing Date for Registration:**  
September 17, 2010

### Cancellation:

All cancellations must be notified in writing. An administrative charge of 20% of the registration fee will be levied for cancellations received before the closing date for registration. There will be no refund of the registration fee if cancellation is received after the closing date for registration. However, should a participant be unable to attend, a replacement may be sent. Any difference in fee payment will be charged/refunded accordingly.

### Disclaimer:

The organiser reserves the right to make any amendments to the programme, venue, speaker replacements, topics or cancellation of the event if warranted by circumstances beyond its control.

## WORKSHOP PROGRAMME

08:30 a.m. - 09:00 a.m.	<b>REGISTRATION</b>
09:00 a.m. - 10:30 a.m.	<b>FRS 111 - CONSTRUCTION CONTRACTS</b> - Scope and definitions - Combining and segmenting construction contracts - Contract revenue and contract costs - Recognition of revenue, expenses and expected losses
10:30 a.m. - 11:00 a.m.	<b>COFFEE BREAK</b>
11:00 a.m. - 01:00 p.m.	<b>FRS 111 - CONSTRUCTION CONTRACTS (Cont'd)</b> - Changes in estimates - Disclosure requirements - Case studies <b>FRS 123 - BORROWING COSTS</b> - Scope and definitions - Benchmark treatment for borrowing costs
01:00 p.m. - 02:00 p.m.	<b>LUNCH</b>
02:00 p.m. - 03:30 p.m.	<b>FRS 123 - BORROWING COSTS (Cont'd)</b> - Borrowing costs eligible for capitalisation - Commencement, suspension and cessation of capitalisation - Disclosure requirements <b>FRS 201<sup>2004</sup> - PROPERTY DEVELOPMENT ACTIVITIES</b> - Scope and definitions - Nature of property development activities - Land held for property development - Property development costs - Property development revenue and expenses
03:30 p.m. - 04:00 p.m.	<b>COFFEE BREAK</b>
04:00 p.m. - 05.30 p.m.	<b>FRS 201<sup>2004</sup> - PROPERTY DEVELOPMENT ACTIVITIES (Cont'd)</b> - Estimates, revocation of sales and incentives - Inventories - unsold completed development units - Disclosure requirements - Case studies <b>IC Interpretation 15 - Agreement for Construction of Real Estate</b> - Discussion of issues: - Is the agreement within FRS 118 revenue or FRS 111 construction contracts? - When should revenue from the construction of real estate be recognised? - Disclosure requirements - Effective date and transition
05:30 p.m.	<b>END OF WORKSHOP</b>

## PROFILE OF WORKSHOP LEADER

**Ms LIM GEOK HENG** is a technical and training consultant of her own business, Evo Training & Consulting. She speaks on IASB and Financial Reporting Standards (FRSs), and accounting and audit issues regularly and extensively throughout Malaysia for professional accounting bodies. In addition, she also conducts in-house technical training on accounting issues for commercial and listed companies and private training institutions in Malaysia, Singapore and Thailand.

Ms Lim has over 30 years experience in areas comprising auditing, financial accounting, treasury functions, education and corporate training. Her recent past appointments include the positions of Chief Technical and Training Officer of Horwath, Training Manager of Ernst & Young, Lecturer in Sunway University College and Senior Lecturer in Tunku Abdul Rahman College and Financial & Treasury Accountant

of an established financial institution. She is a Certified Professional Trainer (CPT) of the International professional Managers Association (IPMA, UK), and also a registered trainer with Pembangunan Sumber Manusia Bhd (HRDF).

Ms Lim was the Chairman of the ACCA-FRS (Financial Reporting Standards) Committee for 2006 and 2007. Ms Lim co-authored a publication titled "Malaysian Private Entity Reporting Standards" for CCH (Commerce Clearing House) Asia Pte Ltd. She is also the technical advisor of Knowledge Shop (M) Sdn Bhd - provider of Malaysia's only Knowledge Bank of Resources portal that serves as a technical helpdesk for small and medium practitioners (SMPs).

Ms Lim is a Fellow member of the Association of Chartered Certified Accountants and a member of MIA.