ACCOUNTING STANDARDS & REGULATIONS LECTURE NOTES

LECTURE 1 – THE FUNCTION OF ACCOUNTING

LO1: WHAT IS ACCOUNTING?

- **Accounting:** a type of record-keeping. It is necessary to keep records due to increasing social complexity i.e. many more people interacting through different means. If it is written own, it's in a record, which is much harder to dispute.

LO2: THREE FUNCTIONS OF ACCOUNTING

Function 1 – Decision-making

- Accounting info became increasingly important with industrialisation. Prior to industrialisation, production was small scale and needed less capital. With industrialisation came large scale production, heavy use of machinery and labour. Thus, the need for access to large amounts of capital arose in companies. However, capital is limited and accounting information enables companies and their stakeholders to make decisions relating to the allocation of capital and other scarce resources.
- The regulators see this function as being the **primary function** of accounting info. "The objective of general purpose financial reporting is **to provide financial information** about the reporting entity that is **useful** to existing and potential investors, lenders and other creditors **in making decisions about providing resources to the entity**. Those decisions involve buying, selling or holding equity and debt instruments, and providing or settling loans and other forms of credit."
- The users of financial information include:
  a) **Primary users:** existing and potential investors, lenders and other creditors. Generally stakeholders that have long term relationships with the business.
  b) **Secondary users:** employees, suppliers, customers, government and the public.
- Allocation decisions for **investors** include whether to buy or sell shares. Allocation decisions for **lenders** include whether to lend to a company or not, and if so, with what conditions.
- Accounting guides decision making by allowing stakeholders to view a company's financial situation through financial information found in a company's income statement (revenues and expenses), balance sheet (assets, liabilities and equity) and cash flow statement (operating, investing and financing).

Function 2 – Contracting

- **Contract:** a binding agreement which governs the relationship between two or more people or companies, setting out what they must and mustn't do.
- **Company:** one way of viewing a company is that it is a nexus of contracts. This means that companies are simply a collection of contracts between different parties. A company is the central point that governs the rights and obligations of the different parties involved according to their contractual relationships e.g. the university has a contract with its lecturers and its students, whilst there is no contract between student and lecturer.
- Accounting numbers i.e. profit, assets, and liabilities are used in accounting contracts because of **goal misalignment**. That is, those who provide the capital (principals) may have different goals to those who are in charge of that capital (agents). This is referred to as an **agency problem**. An agency problem is created due to:
  a) The assumption that **people act in their own self-interest**.
  b) **Delegation of decision-making**. It is difficult to make agreements when there are too many parties involved. Thus, decision-making is delegated to agents i.e. managers.
  c) **Information asymmetry**. This is a situation in which one party in a transaction has more or superior info compared to another i.e. managers having a better understanding of what is actually going on inside of the business than shareholders. This could potentially lead to a harmful situation where one party can take advantage of the other party's lack of knowledge.
- There are costs to delegating decision-making to someone else:
  a) They could make really poor decisions. Sometimes it may not necessarily be self-interest.
  b) Agency costs of equity (shareholder concerns):
     i. **Perquisite consumption:** when management get access to things that they don't necessarily need in order to do their job. It is an expression for managers who give themselves more luxury than would seem reasonable because they're paying with shareholders' money e.g. huge offices with expensive art, corporate jets.
     ii. **Different time horizons:** if management knows that they're about to leave soon, they may start making decisions that benefit them in the short term but not necessarily be beneficial for the company in the long term.
  c) Agency costs of debt (lender concerns):
     i. **Dividends.**
     ii. **Claim dilution:** a decline in the likelihood that lenders in a contract will be repaid in full e.g. when a party borrows money from more sources than the original lender, which dilutes the lender's claim on his/her repayment.
     iii. **Asset substitution:** a situation which occurs when a company invests in assets that are riskier than what lenders want in pursuit of potentially higher returns. It's a change of asset class from what the company was originally investing in.
     iv. **Under-investment.**

- Mechanisms to combat the agency problem and generate goal alignment include:
  a) **Bonding mechanism:** a mechanism that makes the two parties want the same thing
  b) **Monitoring mechanism:** monitoring through audit firms.
- In the case of equity investors, principals expect to see a return through a dividend stream and/or capital growth i.e. profitability and share prices are important. In order to ensure that management wants the same thing, you can use accounting numbers to:
  a) **Directly:** give them profit targets that when reached, managers will be rewarded with bonuses.
  b) **Indirectly:** options/shares as part of pay package.
- In the case of lenders, assuming that management is completely acting on behalf of equity investors, the principals expect to see a return through interest payments and the repayment of the loan. Thus, in order to protect themselves, lenders can include clauses within their contracts to ensure management do or don't do certain things e.g. leverage ratios, dividend payout ratios.

Function 3 – Stewardship

- Primary concern is for the agent to demonstrate compliance with the delegated authority e.g. banks demonstrating capital requirements to the government. Banks needed to meet capital requirements.

LO3: ACCOUNTING REGULATION

Why do we have regulations?

- We have regulations because managers of companies are aware that the accounting numbers are useful in decision-making. Management are responsible for these accounting numbers, and under the assumption that managers are self-interested, the possibility of **earnings management** arises.
- Earnings management is a problem. Management can manipulate earnings, assets and liabilities to what they desire. Users are making decisions based on this information. Thus, poor information will lead to poor decision-making.
- If management report **efficiently**, then the financial info provided are accurate representations of the company. If management report **opportunistically**, then financial statements are a reflection of what management want to show.
- Thus arises the question of how to deal with earnings management:
  a) **Do nothing:** i.e. free market perspective. Accounting information is a good like any other- if you want info, you need to pay for it. Management are best placed to decide what to report because they have a better sense of what is happening inside the company. Companies will volunteer to tell you both good and bad info because good companies will make it known that they're good, and thus bad companies will have to follow suit. We must assume that all necessary info will be disclosed.
  b) **Regulation:** accounting information is a public good- you do not need to pay money for it. Whilst markets may be efficient on average, exceptions may occur.
- Accounting regulation:
  a) **Limits accounting policy choices** available to management. Restricts accounting to certain methods e.g. LIFO cannot be used as an inventory costing method in Australia.
  b) **Provides more certainty** as to how the accounting numbers are generated. Parties know how the numbers are calculated and that management didn't just make a method up.
  c) Still **allows management some discretion**.

Who are the regulators?

- Generate accounting standards:
  a) **International Accounting Standards Board (IASB)**: writes international standards and regulations, but does not enforce them.
  b) **Australian Accounting Standards Board (AASB)**: after 2005, Australia adopted international standards with minor changes.
- Enforce accounting standards:
  a) **Australian Securities & Investments Commission (ASIC)**: enforces those standards set by the AASB.
- Enforce accounting standards and its own rules:
  a) **Australian Stock Exchange (ASX)**: if a company is listed, it must follow the ASX listing rules and regulations, as well as accounting standards.

The conceptual framework

- **The conceptual framework**: a set of interrelated concepts that **define the nature, purpose and broad content** of general purpose financial reporting. It is what regulators want accounting to be and what they want their regulations and rules to achieve in terms of goals. It is not the rules themselves.
- Benefits of conceptual framework:
  a) Makes regulation more consistent and logical. New standards and regulations are consistent with current ones.
  b) Increased comparability, accountability and understandability
  c) Makes standard setting more economical. The conceptual framework provides a basis of how regulations fit together and thus it helps to reduce the time taken to set new standards and regulations.
- Conceptual framework consists of:
  a) **SAC 1: Definition of the Reporting Entity –** defines and explains the concept of a reporting entity.
  b) **SAC 2: Objective of General Purpose Financial Reporting –** SAC 2 identifies the user groups of general purpose financial reports (GPFR), user needs for information, objective of GPFR, and types of relevant info e.g. performance, position, financing/investing, compliance.

c) **AASB Framework: Framework for the Preparation and Presentation of Financial Statements** – this section sets out the concepts that underlie the preparation and presentation of financial statements for external users. It discusses:
   i. **Objectives and assumptions** of financial statements i.e. going concern and accrual basis.
   ii. **Qualitative characteristics** of useful financial info i.e. understandability, relevance, reliability, comparability.
   iii. **Definition, recognition and measurement of financial reporting elements** i.e. assets, liabilities, equity and revenues.

- However, even with a conceptual framework, a consistent and logical outcome is not guaranteed.
- Conservatism is not explicitly part of conceptual framework. Conservatism is embedded into rules due to the way they're written.

Legal requirements

Corporations Act (2001) states that:
- s292 discusses who has to prepare
- s296 (I): The financial report for a financial year **must comply** with the accounting standards.
- s334 (I): The AASB may, by legislative instrument, **make accounting standards** for the purposes of this Act.

Political aspects of regulation

- Regulation is a highly political process.
- The lobbying efforts by the software industry to block the FASB standard requiring expensing of stock options at fair value was examined. The examination found that those congressional members who supported the Act i.e. to block the FASB standard were more likely to be republican, conservative and received PAC contributions. Those companies who donated more through the PAC had larger stock option expenses and thus whose profitability would be most negatively affected by the FASB standard.

International standards

- **International harmonisation:** the move to have all countries in the world using the same reporting standards.

Benefits of international harmonisation	Disadvantages of international harmonisation
• Lower cost for investors to compare. E.g. U.S. financial reports are not prepared the same. Potential investors would have to spend more time and money researching. • Lower cost for companies to list in another country.	• Economic differences. • Political differences. • Cultural differences. E.g. there is no concept of interest in Islamic banking. • Implementation and enforcement issues.

- Currently, over 120 countries require or permit IFRS reporting. This includes Australia, EU, Singapore, and South Africa. Over 85 countries require IFRS for all domestically listed companies.
- Countries that do not use international standards include:
  a) **US:** does not allow international standards, but the Boards (FASB and IASB) are working together on convergence.
  b) **China:** does not allow, but convergence is occurring.
  c) **Japan:** voluntary adoption, but moving towards adoption.
  d) **India:** does not allow, but convergence is occurring.

LECTURE 2 – REVENUE

LO1: FRAMEWORK DEFINITIONS OF INCOME AND EXPENSE

Income

- **Income:** income is increases in economic benefits during the accounting period in the form of **inflows or enhancements of assets** or **decreases in liabilities** that result in **increases in equity**, other than those relating to contributions from equity participants. – AASB Framework, paragraph 70.
- Note how the definition does not distinguish between **revenues and gains** i.e. income includes revenues and gains.
- **Revenue:** revenue arises in the course of the **ordinary activities of an entity**. – AASB Framework, paragraph 74. E.g. Qantas receiving revenue from flying people all over the world i.e. its standard operations.
- **Gain:** gains represent **other items** that meet the definition of income and may or may not arise in the course of the ordinary activities of an entity. – AASB Framework, paragraph 75. E.g. Qantas making gains on the disposal of an airplane.

Expenses

- **Expenses:** expenses are decreases in economic benefits during the accounting period in the form of **outflows or depletions of assets** or **incurrences of liabilities** that result in decreases in equity, other than those relating to distributions to equity participants. – AASB Framework, paragraph 70.
- Note how the definition does not distinguish between **expenses and losses** i.e. expenses include expenses and losses.
- **Expense:** the definition of expenses encompasses **losses as well as those expenses** that arise in the course of the **ordinary activities of an entity**. – AASB Framework, paragraph 78.
- **Loss:** Losses represent other items that meet the definition of expenses and may or may not arise in the course of the ordinary activities of an entity. – AASB Framework, paragraph 79.

LO2: INFORMATION CONTENT OF EARNINGS

- Profit is useful because the media is fixated on the profit of entities. Furthermore, there is an association between accounting profit and stock market returns. For example, **Bali and Brown (1968)** found that **unexpected earnings have an impact on stock returns**. Firms that report unexpected earnings experience an increase in market returns and vice versa. Most of these market return changes occur prior to the release of the annual report, suggesting that there is more than one way i.e. annual report to assess a company's financial position. Therefore, profit does have information content (value relevant).
- However, some may argue that profit is not useful. For example, **Canning (1929)** states that accounting figures are unreliable because accountants manipulate those figures into whatever figures they desire.

LO3: INCENTIVES TO "ADJUST" EARNINGS

- There are a variety of incentives for management to "adjust earnings", including:
  a) **Analyst earnings forecasts:** to meet or beat analyst earnings forecasts. Whether a company meets or beats its analyst's earnings forecast has significant impact on its market shares. E.g. Seek Ltd made increasing profits. Despite this, their share price fell by 8.7% because they did not meet its earnings forecast, which causes the market to react negatively.
  b) **Issuing new equity**
  c) **Management compensation contracts:** **Healy (1985)** researched the question of whether or not the existence of a bonus plan would cause executives to manipulate company profits. Healy found that executives did manipulate profit. Hoverer, manipulation was dependent on the profit level and the target level. For example, if the target was $100mil for a $500,000 bonus and the result was:
     i. **$99.9mil:** management would try to manipulate profit figure upwards to meet the target.
     ii. **$120mil:** management might actually opt to reduce profit figure for various reasons, including:
        a. Tax purposes
        b. To not increase **market expectations** too much, which would cause next period's target to rise and thus make it more difficult for managers to reach their target.
        c. Push profit down this year and **push it to next year**. This combined with management's unraised expectations makes it much easier for management to achieve its targets.
     iii. **$80mil:** management could leave profit figure or pull it back even more but there is no incentive to increase it.
  d) **Debt contract clauses:** to avoid breaching debt contract clauses, which may contain earnings targets that managers must achieve or must not breach.
- Management is not just adjusting accounting earnings, they are also increasingly using "non-GAAP" earnings. That is, accounting numbers made under non-accounting methods causing the figures to be incomparable across companies. These non-GAAP earnings include:
  a) **Underlying profit:** e.g. Qantas 2014-15 half yearly results started that their underlying profit was $367mil, but upon inspecting their statutory profit, which was prepared under accounting methods, their statutory profit figure was only $203mil.
  b) **Operating earnings:** e.g. MYOB 2014 full year results stated that their operating earnings was $138mil, but their statutory profit, which was prepared under accounting methods, was actually a statutory loss of $21.3mil.
  c) **Cash earnings**

LO4: THE ROLE OF REGULATION

- The company reporting can be either **efficient or opportunistic**.
- The purpose of regulation is to **limit choice**.
- The purpose of accounting regulation is to **limit accounting policy choice**.

LO5: REGULATION – AASB 118 REVENUE

Revenue – when?

- The primary issue in accounting for revenue is determining **when to recognise revenue**.
- When to recognise revenue depends on whether the company is providing a **good or a service**.

4 conditions that must occur to recognise revenue for goods	3 conditions that must occur to recognise revenue for services
1. **Significant risks and rewards:** the significant risks and rewards of ownership have been transferred to the buyer. 2. **Control:** control of good is passed. Entity retains no control. 3. **Reliable measurement of revenue and costs:** can reliably measure revenue and associated costs i.e. how much the good cost to make and how much it was sold for. 4. **Probable inflows:** economic inflows are probable. PMT doesn't have to have happened yet, and the condition does not say payment has to be certain, just probable.	1. **Reliably measure stage of completion:** can reliably measure the stage of completion. If performing service to a client, person receiving service does not gain control of the service. Service provider needs to know how much they've done. I.e. 50% of service provided means that 50% of revenue can be recorded. 2. **Reliable measurement of revenue and costs** 3. **Probable inflows**

Revenue – how much for goods?

- Revenue shall be measured at the **fair value** of the consideration i.e. payment received or receivable. – AASB 118.9.
- **Fair value:** fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. – AASB 118.7
- E.g. an item that is worth $1000 is sold for $250. $250 is the fair value i.e. the revenue, not $1000.

Revenue – how much for services?

- When the outcome of the transaction involving the rendering of services **cannot be estimated reliably**, revenue shall be recognised only to **the extent of the expenses recognised that are recoverable**. – AASB 118.26
- That is, when there is uncertainty over stage of completion of a service, profit can only be recorded at $0, at worst a loss.

Revenue – disclosure

The entity needs to disclose:

a) The **accounting policies adopted**, including methods adopted to determine stage of completion.
b) **Amount of each significant category of revenue** i.e. sale of goods, services, interest, etc.

LO5: REGULATION – AASB 111 CONSTRUCTION CONTRACTS

Construction contracts – definitions

- The primary issue in accounting for construction contracts is the allocation of contract revenue and contract costs to the reporting periods in which construction work is performed.
- If construction is a good, wait till completion to record revenue. If service, recording of revenue depends on stage of completion where certain costs and revenue amounts are recorded each period or financial year.
- **Revenues:** initial amount agreed plus any variations. Revenue is measured at fair value of consideration received or receivable.
- **Costs:** costs that relate directly to the contract. General costs that can be allocated to the contract and other costs chargeable to the customer e.g. direct costs and overhead costs.

Construction contracts – outcomes and determining reliability

- **Reliable outcome:** when the outcome can be estimated reliably, contract revenue and contract costs shall be recognised as revenues and expenses respectively by reference to the stage of completion at the end of the reporting period.
- **No reliable outcome:** when the outcome of a construction contract cannot be estimated reliably:
  a) Revenue shall be recognised only to the extent of contract costs incurred that is probable will be recoverable, and;
  b) Construction costs shall be recognised as an expense in the period in which they are incurred.
- Determining reliability depends on the contract type, whether it is:
  a) **Fixed price** i.e. price always stays the same. In order to determine whether a fixed price contract has a reliable outcome:
     i. Revenue can be measured reliably
     ii. Probable benefits will flow to the entity; and
     iii. Both costs to complete and stage of completion can be measured reliably.
  b) **Cost plus**

Construction contracts – stage of completion

- Stage of completion can be determined in a variety of ways, including:
  a) **Cost:** the proportion that contract costs incurred for work performed to date to the estimated total contract costs
  b) **Surveys of work performed**; and
  c) **Completion of a physical proportion** of the contract work.
- Importantly, payments from customers **do not** indicate stage of completion.

Construction contracts – losses

- When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised as an expense immediately. – AASB 111.36.
- If a company is losing money on a contract, the **entire loss is recognised immediately** unlike profit, which is recognised in stages only. This is an example of **conservatism** built into the accounting standards.

LO6: WORKED EXAMPLES OF REVENUE FOR CONSTRUCTION CONTRACTS

Example 1 – Stage of completion can be reliably estimated (profit)

Construction Company signs a contract on 1 July 2015, agreeing to build a warehouse for Buyer Limited at a contract price of $10million. Buyer Limited will be in control of the asset throughout the construction process. Construction Company estimates that construction costs will be as follows:

Year End	30 June 2015	30 June 2016	30 June 2017
Construction costs	$2.5m	$4m	$1.5m

The contract provides that Buyer Limited will make payments on 31 December each year as follows:

Year End	30 June 2015	30 June 2016	30 June 2017
Payments	$2m	$5m	$3m

The contract is completed and accepted on 31 December 2017. Assume that actual costs and cash collections coincide with expectations. Construction Company has a financial year ending 31 December.

	2015	2016	2017
Contract price	$10m	$10m	$10m
Less: Costs to date	$2.5m	$6.5m	$8m
Estimated costs to complete	$5.5m ($8m – $2.5m)	$1.5m ($8m – $6.5m)	$0m ($8m – $8m)
Estimated total cost	$8m	$8m	$8m
Estimated total gross profit	$2m	$2m	$2m
% complete	31.25% ($2.5m/$8m)	81.25% ($6.5/$8m)	100%
Profit recognised to date	$625,000 ($2m x 31.25%)	$1,625,000 ($2m x 81.25%)	$2m
Period profit	$625,000	$1m ($1,625,000 - $625,000)	$375,000 ($2m - $1.625m)

4 entries for every year, 5 entries for final year	**2015**		**2016**		**2017**	
Construction in progress (the asset) **Cash** (To record costs incurred for the year)	2.5m	2.5m	4m	4m	1.5m	1.5m
Accounts receivable **Progress billings** (To record billings to customers for the year)	2m	2m	5m	5m	3m	3m
Cash **Accounts receivable** (To record cash collections)	2m	2m	5m	5m	3m	3m
Construction-in-progress **Construction expenses** **Construction revenue** (To record periodic revenues and expenses)	625,000 2.5m	3.125m	1m 4m	5m	375,000 1.5m	1.875m
Progress billings **Construction in progress** (To record final approval and acceptance)	-	-	-	-	10m	10m

Note that in construction-in-progress (3rd entry), this is because the whilst you've built an asset costing $8m (2.5 + 4.0 + 1.5), you're handing over an asset worth $10m - so you're adding the profit margin onto the asset itself to make it up to $10m.

Example 2 – Stage of completion cannot be reliably estimated (profit)

4 entries for every year, 5 entries for final year	**2015**		**2016**		**2017**	
Construction in progress (the asset) **Cash** (To record costs incurred for the year)	2.5m	2.5m	4m	4m	1.5m	1.5m
Accounts receivable **Progress billings** (To record billings to customers for the year)	2m	2m	5m	5m	3m	3m
Cash **Accounts receivable** (To record cash collections)	2m	2m	5m	5m	3m	3m
Construction-in-progress **Construction expenses** **Construction revenue** (To record periodic revenues and expenses)	- 2.5m	2.5m	- 4m	4m	2m 1.5m	3.5m
Progress billings **Construction in progress** (To record final approval and acceptance)	-	-	-	-	10m	10m

Note that profit during the year (period profit) cannot be recognised in that year. Entire profit can only be recognised at the end when the contract has been completed. However, expenses each year can still be recognised. This entry is the only difference.

Example 3 – Stage of completion can be reliably estimated (loss)

On the 1 July 2010, your company signed a contract to build an apartment building. The contract is a fixed price contract, and your company will receive $450m from the client over the course of 4 years. At the outset, you expect the total construction costs to total $350m. You bill the client 20% of the contract price on the date of signing, 15% on the 30th June each year, and the balance on the completion of the project. The client pays each bill in full 30 days after receiving the invoice. The building is officially handed transferred to the client upon receipt of the final payment. Construction cost information is as follows:

Year End	30 June 2011	30 June 2012	30 June 2013	30 June 2014
Total Costs to Date	$75m	$180m	$350m	$480m
Estimated Costs to Complete	$280m	$190m	$120m	$0

	2011	2012	2013	2013
Contract price	$450m	$450m	$450m	$450m
Less: Costs to date	$75m (given)	$180m (given)	$350m (given)	$480m (given)
Estimated costs to complete	$280m (given)	$190m (given)	$120m (given)	$0 (given)
Estimated total cost	$355 (75m+280m)	$370 (180m+190m)	$470 (350m+120m)	$480 (480m+0m)
Estimated total gross profit	$95 (450m – 355m)	$80 (450m – 370m)	– $20m (450m – 470m)	– $30m (450m – 480m)
% complete	21.13% (75/355)	48.65% (180/370)	74.47% (350/470)	100%
Profit recognised to date	$20,073,500	$38,920,000	– $20m	– $30m
Period profit	$20,073,500	$18,846,500	– $58,920,000	– $10m

Note: 2013 period profit is equal to the sum of the previous years' profits minus $20m i.e. –$20m – ($20,073,500 + $18,846,500).

4 entries for every year, 5 entries for final year	2011		2012		2013		2014	
Construction in progress (the asset) **Cash** (To record costs incurred for the year)	75m	75m	105m	105m	170m	170m	130m	130m
Accounts receivable **Progress billings** (To record billings to customers for the year)	90m	90m	67.5m	67.5m	67.5m	67.5m	225m	225m
Cash **Accounts receivable** (To record cash collections)	90m	90m	67.5m	67.5m	67.5m	67.5m	225m	225m
Construction-in-progress **Construction expenses** **Construction revenue** **Onerous liability** **Construction-in-progress** (To record periodic revenues and expenses)	20.07m 75m - 	 95.07m 	18.85m 105m - 	 123.85m 	- 170m 	 111.08m 20m 38.92m	- 130m 	- 120m 10m -
Progress billings **Onerous liability** **Construction in progress** (To record final approval and acceptance)	-	-	-	-	-	-	450m 30m 	 480m

Note: construction-in-progress credit comes from period profit minus onerous liability i.e. loss i.e. –$58,920,000 – – $20m.

Example 4 – Stage of completion cannot be reliably estimated (loss)

4 entries for every year, 5 entries for final year	2011		2012		2013		2014	
Construction in progress (the asset) **Cash** (To record costs incurred for the year)	75m	75m	105m	105m	170m	170m	130m	130m
Accounts receivable **Progress billings** (To record billings to customers for the year)	90m	90m	67.5m	67.5m	67.5m	67.5m	225m	225m
Cash **Accounts receivable** (To record cash collections)	90m	90m	67.5m	67.5m	67.5m	67.5m	225m	225m
Construction expenses **Construction revenue** **Onerous liability** (To record periodic revenues and expenses)	75m	 75m -	105m	 105m -	170m	 150m 20m	130m	 120m 10m
Progress billings **Onerous liability** **Construction in progress** (To record final approval and acceptance)	-	-	-	-	-	-	450m 30m 	 480m