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Impairment of Non- current Assets - Implementation and Disclosure: Evidence from Industrial Firms in Jordan

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Abstract

The objective of this paper is to identify whether the industrial Firms - which are listed in Amman Stock Exchange (ASE) - implement and disclose impairment loss of non- current non-current assets in conformity with the requirements of IFRS/IAS 36 or not . What is the percentage of listed firms in the sample that have implemented or disclosed the impairment tests from the respondents' point of view? For attaining these objectives, an empirical research was based on 40 paragraphs which deal with impairment accounting included in the study questionnaire. T- Test in addition to various descriptive statistics conducted on a sample of 47 listed industrial companies in 2015. The study reveals that the two null hypotheses have been accepted; industrial companies implement IFRS/IAS 36 requirements with a poor degree of (57.4%); consequently, the disclosure is also applied with (57.6%). The study concluded that utmost attention should be paid for adopting the impairment accounting. Disclosing of impairment loss could improve the reports for giving the reason to the impairment loss; this is beneficial for the management as well as for the investors and one of the study's

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recommendations is to encourage the internship in IFRS/IAS for the accounting staff in the industry sector as a whole.

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1 Introduction

According to IFRS/ IAS, reporting of accounting information should be relevant and assist users in evaluating past, present, and future events. Information to be included in the financial statements should be material in the sense that its potential misstatement might affect companies' financial situation, for this datum, Firms are required to bring their utmost attention and consideration. The recognition, measurement, and disclosure of accounting policies employed in the preparation of the financial statements should be clear and accompanied by explanatory information on any changes in those policies. Adoption of IFRS/ IAS 36 on large basis and future directions of Jordan public share- holding companies can deeply modify the way companies actually use to account for noncurrent assets. IAS 36 seems to adopt a Discounted Cash Flow (DCF) approach, it states that value-in-use must be calculated, taking into consideration, estimating the future cash inflows and outflows deriving from the asset. That is to say, applying the appropriate discount rate to the future cash flows can represent a sort of accounting revolution for most companies. A growing literature in impairment, nevertheless, has identified the pitfalls of DCF approach, which are caused prevalently by the calculation of the risk-adjusted interest rate used to discount cash flows. Noteworthy, this paper is organized as follows, the second section summarizes the literature pertaining to the subject, as for the third section, it describes the methodology and hypotheses. The fourth section presents the achieved empirical results and hypotheses testing. Finally, the fifth section is concentrated to present the research findings along with its limitations, and future perspectives.

2 Literature Review and Theoretical Perspective

IFRS/IAS 36 impairment of assets, effective in 1998, is the first such regulation adopted by many countries like Jordan [1]. The objective of this standard is to ensure that assets are carried at no more than their recoverable amount and to define how the recoverable amount is calculated .In general, adoption of IFRS/IAS by the developing countries have a high level of economic growth, along with a legal system of common law and an advanced educational level [2] . IAS/ IFRS 36 require that acquired assets, liabilities and contingent liabilities are recognized at fair value in the annual accounts of the acquiring firm. It requires that, if the purchase price exceeds the total fair value of the identifiable net assets, the difference is recognized as goodwill. This standard does not permit amortization of goodwill, but requires goodwill to be tested for impairment as stated in IAS 36. IAS 36 demands that each separate asset is tested for impairment, if there are any indications of impairment. But assets with an indeterminable lifetime, which are not amortized, the test for impairment at least on a yearly basis. To note, studies on this subject are rare with respect to those dealing with the impairment accounting. Previous literature shows that disclosing private information was for the purpose of reducing uncertainty about firm value in the period prior to the Global Financial Crisis (GFC) [3], [4]. Studies addressed applying of IFRS/IAS (36) is scanty; As pointed out by [5] he found evidence that annual impairment testing of goodwill has improved financial reporting. Impairment is considered as a technique used for manipulation by top management through earnings management [6]; [7]. Companies have to maintain the accounting information within reasonable balancing between historical value and relevance of fair value , for this cause , A number of studies have been carried out in recent years that showed value relevance of accounting information has increased. Similarly [8] have conducted a study to identify the manufacturing companies which are listed in Colombo Stock Exchange(CSE) that has been reported impairment of non-current assets degree according to impairment standard 36 , and to evaluate the impact of impairment loss in financial statements, such research provides useful insights into the extent of asset impairment disclosure in annual reports of the Sri Lankan listed manufacturing companies , and factors that influence companies to make the disclosure decision, it revealed that disclosures on the estimation of impairment losses of non-current assets and principles of their making are relatively poor quality, and most of the companies have presented in their financial statements only the general principles of accounting for the subject matter, approximately 6 percent of the companies surveyed disclose detailed data that are sufficient to properly interpret and evaluate the reliability of the information presented in the financial statement. In their turn [9] have highlighted their study's aim is to identify the impact of Chinese companies registered in the financial market during the period (2001-2004) to an impairment loss of long-term assets, they found that half of these companies are contrary to the loss of shortage in the value of assets, long-term, and the profits of all companies decreased by (40%) , and (17%) of the profits turn to losses if not reflecting the loss in subsequent years, departments of these companies try to increase earnings by reversing the current decline in the value of the loss of long-term assets . Another study taken by [10] entitled; Impairment Analysis of Non-current Assets under DCF Based-test in the Jordanian Industrial Shareholding Companies, its aim is to examine the significance differences between discounted operating cash flow associated with non-current assets and the impairment loss for 2005 compared to 2006, 2006 compared to 2007, 2007 compared to 2008. Moreover, estimating value in use through future cash flows attributable to the asset under DCF Based-test, to determine impairment trends by showing ratios of companies that have an increasing trends, decreasing or fluctuated trends for the years 2005-2008.Data were collected for the period 2005 to 2008 from Annual reports issued by Amman Stock Exchange (ASE) of the selected industrial public shareholding companies. *For this study, 30 industrial companies impaired their non-current assets were selected out of 73 working Jordanian industrial companies during* the study period; Descriptive statistic has been used in that study, in addition to Wilcoxon Signed Ranks Test. Based on the financial data in the companies' financial reports, about (58.9%), or 30 companies, apply asset impairment accounting. For companies implement IAS (36), impairment loss should be recognized, measured, and disclosed separated from depreciation. Impairment loss can be affected by discount rate, and *future cash flows*. In this respect [11] whose study aim is identifying the concepts of accountability , lack of value of long-term assets in the international accounting standards and U.S accounting standards , with their application in Syria, this study included a sample of (60) persons whom the practitioners of the auditing profession, and practitioners of the profession of accounting firms in both public and private sectors, the study found that there are differences between American standards and International Accounting Standards (IAS) , Moreover, the study found that the public and private sectors do not apply any of these criteria. [12] They found out that there is connection between impairment losses and some indicators. Management of many companies uses in practice the recognition of impairment losses in order to smooth earnings in its increasing periods. While [13] have investigated the effect of asset impairments on analysts' choices of valuation models by the UK sample firms and find significant preference in discounted cash flow method after IAS 36 is applied. Another study [14] have focused on identifying the behavior of an ad hoc loss of the lack of value of long-term assets in small-sized enterprises, they studied factors causing the loss for the lack of long-term assets loss and their impact on corporate earnings of listed companies in the financial market in China during the period (2001-2003), they found that the economic factors such as inadequate conditions facing the industry and corporate influence in the loss of the lack of value for assets of these companies . [15] They addressed the effect of the devaluation of the long-term assets of listed companies in the financial market in China on the profitability of these companies in the future, found that the application of this standard reflect the real value of these assets in these companies. [16] Has analyzed the usefulness of impairment charge in decision making through comparing the net income prior and after goodwill write offs to the economic income, they favored the goodwill impairment method over the amortization method. **[17]** Have revealed the theoretical and practical relevance of the researched topic examines the existing approaches used by Latvian companies for measuring the value of long-lived assets and considers the peculiarities of information disclosure in their financial statements. Particular attention is paid to the importance of measuring assets impairment using the example of a Latvian fuel retail company. The authors' conclusions based on the study of Western publications and analysis of Latvian practices will be useful for the company management when forming the company’s accounting policy for measuring and valuing long-lived assets, and may be taken into consideration by investors when developing investment strategies. **[18]** He provided an empirical evidence on the Jordanian industrial companies how to measure a value of their non-current assets impairment through analysis of Discount Cash Flows (DCF), to reach evidence that the occurrence of impairments is less dependent on financial performance, The pertinent data was investigated for a 4 year period, i.e. a total of 120 observations (year- company) were tested. I adopted descriptive statistics, regressions ,and correlations to find out the relationship among the variables and their strength, the study uses panel data analysis to estimate what a dependent variable will be for a given values of independent variables. It is shown that there is a positive weak and insignificant relationship between Impairment Loss (IMP), and financial indicators, such as Return on Assets (ROA), and Return on Equity (ROE). It is also shown that there is a negative weak and, insignificant relationship between IMP and Debt Ratio (DER).In the light of the above studies, it can be noted that most previous studies addressed the effect of applying IAS (36), and lack of long-term assets value on corporate earnings, what are the factors causing such a shortage, adding to this, effect of reversing this shortage (loss) in the years following the gains for these companies, the exception is study of [10], argues that the Syrian companies do not apply this standard. What distinguishes our current study from the previous ones is that the area of application is the listed industrial firms, and it seeks to measure in part, if these firms adopt IFRS/IAS 36 effectively or not. The companies at the date of the financial statements should examine all of their assets to find any circumstances which indicate any lack of asset value that may exceed the recoverable amount, where recoverable amount represents the highest value among fair (market) of the asset and its value in use. IAS (36) includes a List of internal and external factors that indicate a deficiency in the value of long-term assets, which requires calculating the company's loss decrease in the value of assets (IAS 36.9) [19]. [20] Provide evidence that the new and revised standards on business combinations and intangible assets have been well documented but there has been little discussion of how these requirements will be followed in practice.

3 Research Methodology and Hypotheses

A survey - based analysis is adopted to examine how Jordanian Industrial firms apply IFRS/IAS 36 in practice .We adopted descriptive design which entails the use of percentage. An investigating of current questionnaires suggested that these items were entirely suitable for the conditions of the present research, as at the year 2015. Hence; these items were developed for the purpose of the present study which based on previous literature studies, in addition to the expertise of others. To attain face validity, the questionnaire items were checked by four arbitrators who had much experience in the impairment accounting. To establish reliability; the questionnaire was subject to cronbach's alpha (α) test. As the test results of the survey show 88.90 being greater than 0.60, proves that there is internal consistency between the questionnaire items (Table I). This paper attempts to fill the gap in literature by assessing the implementing and disclosure of impairment of assets in Jordanian Firms, To do so, questionnaires were mailed to 47 financial managers or their assistants in the listed industrial firms because they are deeply involved in impairment testing , to ask them to rate their responses on a five point likert type scale ranging from (1) is not applied at all, (2) slightly applied, (3) Moderately applied, (4) Frequently applied, and (5) Greatly applied for each question or paragraph. The questionnaire consisted from three parts: The first part included demographic variables (Gender, age, educational level, Rank), the second included 31 statements about implementing impairment test as per IAS 36, the third part included 9 items to measure the degree of disclosure of impairment in the Jordanian firms, the 40 paragraphs included in the questionnaires Based on a careful review of IAS 36 and related literature. our results would be of interest to firms, auditors whether internal or external, users of financial statements , and our findings can be used to improve current practice in areas where firms seem to have difficulties in carrying out impairment tests accordance with IFRS/IAS 36 , and other similar standards like IFRS 3 requirements .

Table 1: Cronbach's test results for reliability analysis

Key variables	Number of items	Cronbach's test
Implementation	1 – 31	89.50
Disclosure	32 – 40	63.30
All	1 – 40	88.90

There were three levels of acceptance: Low, Medium, and High. The acceptance levels were evaluated as follows :Class interval =(Maximum Class –Low Class) / Number of Levels ; (5-1) / 3 =1.33 , then : Low acceptance level =(1-2.33) , Medium acceptance level = (2.34- 3.66) , High acceptance level = (3.67- 5) .

The main objectives of this research are explored by the following questions:

- What is the percentage of listed firms in the sample that have implemented the impairment tests required by IFRS/IAS 36?
- What is the percentage of firms in the sample that have disclosed information concerning the impairment loss in accordance with the general provisions prescribed in regulations of IFRS/IAS 36

Based upon the above literature, the following research alternative hypotheses posed by the authors:

H1: Industrial companies implement impairment test required by IFRS/IAS 36.

H2: Industrial companies have adequate disclosures for the impairment loss in accordance with IAS 36 requirements.

In order to measure the impairment loss implementation, and disclosure; several assumptions have been included in the questionnaire, most of them as per the provisions and guidelines of IFRS/IAS 36 itself , which is de facto not adjusted to the specific circumstances for any company's operation. The purpose of this study is to analyze the respondents' opinions toward implementation and disclosure of impairment of non-current assets in the financial reports of Jordanian firms. IAS 36 states that; in order to calculate value-in-use, a company should determine a discount rate that must reflect the current market assessments of the time value of money .The discount rate can be estimated by using techniques such as Capital Asset Pricing Model (CAPM), Moreover, IAS 36 (paragraph 26) makes it clear that the risk can be reflected either as an adjustments to the future cash flows or adjustments to the discount rate. IAS 36 formulation is centered on the concept of fair value that is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction; fair value is formed on an active market.

This study attempts to enable the users of financial statements to take rational and relevant decision through the value added resulting from relevancy, objectivity, and to cope with IAS 36 guidelines and to encourage companies applying this standard. The study is based on a survey which includes (47) completed questionnaires representing (68.12%) of the listed industrial firms out of (69) in Amman Stock Exchange for the year ended Dec.31, 2015. The analysis unit was the financial manager or his assistant for each firm, (40) respondents' replies involved in the finance departments have been recovered for analysis purpose. Properties of the study sample which sent replies to our survey questionnaires from amongst 40 companies were as follows: proportion of males accounted for 87.5% and females accounted for 12.5%, while 85% of respondents were between the ages 30 or more .As regards their educational level, 87.5% for undergraduate or more as presented in Table (2).

Table 2: Demographic characteristics for respondents

Characteristic	**Title**	**n**	**%**
Gender	Males	35	87.5
	Females	5	12.5
Age in years	20 - 30	6	15
	30 - 40	18	45
	Above 40	16	40
Education	Community college	5	12.5
	Undergraduate	31	77.5
	Graduate	4	10
Rank	Financial Managers	8	20
	Assistants	32	80

4 Empirical Results and Hypotheses testing

SPSS is used to obtain the statistical means, percentages, standard deviations, and one- sample t test .The survey results have revealed that there are set of requirements deal with the implementation of IAS 36, such as the company assess at the end of each reporting period whether there is any indication that an asset may be impaired, the company shall estimate the recoverable amount of the asset, to test an intangible asset with an indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount, and the asset impairment test may be performed at any time during an annual period …etc. The rest of the requirements, which are ranged from 1 to 31 are presented with means, and standard deviations in Table 3.The results suggest that the mean to all paragraphs stands at (2.869) which is lower than (3) normal mean is (3), or with (57.38%), which is within medium acceptance level (2.34-3.66), this means that the Jordanian industrial companies moderately apply IAS 36. The standard deviation is (1.041) for all, which means no disparity in the respondent’s opinions seen, the result of implementation of IAS requirements has revealed a relatively poor degree on the measuring of impairment loss, this result confirms that these companies might have various difficulties to cope with IAS 36 requirements ; one of them is the lack of inadequate level of accounting information system , which may lead to the lack of integration with IAS .

Table 3: Mean, Relative Importance for the Implementation of Impairment

No.	Paragraphs	Mean	%
1	The company should assess at the end of each accounting period whether there is any indication that an asset may be impaired	2.625	52.5
2	The company shall estimate the recoverable amount of the asset.	2.500	50.0
3	To test an intangible asset with an indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount	2.675	53.5
4	The asset impairment test may be performed at any time during the reporting period	2.925	58.5
5	Different intangible classes of assets may be tested for impairment at different times	3.220	64.4
6	If there is any indication that an asset may be impaired, recoverable amount shall be estimated for each individual asset	2.650	53.0
7	If it is not possible to estimate the recoverable amount of such individual asset, an entity shall determine the recoverable amount of the cash-generating unit to which the asset belongs	2.950	59.0
8	The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.	2.900	58.0
9	It is not always necessary to determine both an asset's fair value less costs of disposal and its value in use.	2.850	57.0
10	If either of asset's fair value less costs of disposal and its value in use exceeds the asset's carrying amount, the asset is not impaired	2.775	55.5
11	calculation of an asset's value in use an estimate of the future cash flows the entity expects to derive from the asset	2.800	56.0
12	Revealing information about amounts, length of time series of estimated cash flows.	2.825	56.5

13	Calculation of an asset's value in use the time value of money, represented by the current market risk-free rate of interest.	2.850	57.0
14	calculation of an asset's value in use the price for bearing the uncertainty inherent in the asset;	3.275	65.5
15	Estimates of future cash flows shall include projections of cash inflows from the continuing use of the asset	3.175	63.5
16	Estimates of future cash flows shall include projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset;	2.900	58.0
17	The finance Dep't. Staff has appropriate skills, competencies and experience in impairment accounting	3.150	63.0
18	The Audit Committee reviews the controls over the total asset management system and scrutinizes the asset impairment policies,	2.275	45.5
19	The accounting policies relating to the impairment of non-current assets implemented into specific policies.	3.050	61.0
20	If, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss.	3.075	61.5
21	An impairment loss shall be recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another Standard	3.025	60.5
22	An entity shall not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if determinable).	3.075	61.5
23	The co. shall not reduce the carrying amount of an asset below the highest of its value in use (if determinable)	2.600	52.0
24	The Co. shall not reduce the carrying amount of an asset below the highest of zero.	2.550	51.0

25	The Co. shall assess at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist. If any such indication exists, the entity shall estimate the recoverable amount of that asset.	2.450	49.0
26	An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized	2.975	59.5
27	A reversal of an impairment loss for a cash-generating unit shall be allocated to the assets of the unit, pro rata with the carrying amounts of those assets.	2.775	55.5
28	The Co. shall assess at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset	3.200	64.0
29	The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of a amortization or depreciation) had no impairment loss been recognized for the asset in prior years.	2.975	59.5
30	A reversal of an impairment loss for an asset other than goodwill shall be recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another IFRS	2.725	54.5
31	An impairment loss recognized for goodwill shall not be reversed in a subsequent period.	3.150	63.0
Total		2.869	57.4

For testing H1, One-Sample T-Test has been used, this analysis shows the computed (t) = (1.535) , *P*. value = (0.133) which is more than (5%), on this basis, alternative hypothesis is rejected , null hypothesis is accepted , this means ; Industrial companies in Jordan don’t implement impairment test required by IFRS/IAS 36, this implementation is moderate as it is shown in table (4) .

Table 4: The first alternative hypothesis testing

Computed (T)	Tabulated(T)	Sig. (2-tailed)	H1 Result
1.535	2.023	.133	Rejection

Means and standard deviations for paragraphs (32-40) shown in table (5) have been calculated, which present the disclosure of information about the impairment of non –current assets in their financial statements in accordance with the requirements of IAS (36), the results indicate that the mean for all the paragraphs (2.881) in which is lower than the study average (3), this means that the Jordanian Industrial Companies do not disclose the impairment of their long-term assets according to the requirements of IAS (36). The current situation of industrial companies show difficulties faced by many of them for implementing impairment of non-operating assets, in other words, for implementing of the requirements of IFRS/IAS 36, this relatively narrow scope of the implementation made in financial annual reports.

Table 5: Descriptive Statistics for the Disclosure of Impairment

No.	Paragraph	mean	%
32	disclosing the method in which the calculation of the recoverable amount of assets is made	2.875	57.5
33	To disclose the loss of asset impairment in the financial reports	2.750	55.0
34	To disclose the reverse of loss resulting from non-current asset impairment	2.950	59.0
35	To disclose the company's events affecting the impairment of assets	2.800	56.0
36	To disclose the aggregate impairment loss of different sub-group and group of non-current assets.	3.225	64.5
37	To disclose the company's estimate of the assets in use if the deduction of discounted cash flows is made from these assets	2.725	54.5
38	To disclose the company's discount cash flows rate	2.950	59.0

39	To disclose the company's cash-generating units if the loss could not account for the impairment of each asset	2.800	56.0
40	To disclose the company impairment loss of asset after the exclusion of accumulated depreciation in the financial position.	2.850	57.0
Total	Total	2.881	57.6

The percentages of disclosures have been different. All sample companies have revealed low percentages with an average (57.6%) in relation to the disclosures as a whole. The disclosure paragraphs have revealed a relatively poor percentage due to the poor implementation of impairment accounting in these companies. Only question 36; "revealed information about the disclosure of aggregate impairment loss of different groups of non-current assets", which showed the highest relative importance (64.5%) with mean (3.225), this case is useful to assess the magnitude of the relative share of economic that the company had planned to meet at the time of acquisition of non-current assets. because the analysis will focus on this accumulation for the current and past periods. Other questions have scored poor relative importance in which all are less than 60%. All of the companies surveyed don't disclose information about changes that took place in the amount impairment write-downs of non –current operating assets, whether have tangible or intangible assets during the survey period.

Table 6: The Second alternative hypothesis testing

Tabulated (t)	**Computed(t)**	**Sig.**	**H2 Result**
2.023	-1.909	.064	**Rejection**

For testing H2, One-Sample T-Test has been applied; this analysis shows that computed (t) = (1.909) , *P*. value = (0.064) which is more than (5%), on this basis, alternative hypothesis is rejected , null hypothesis is accepted , this means ; Industrial companies have no adequate disclosures for the impairment loss in accordance with IAS36 requirements , as it is shown in table (6) , for all of the surveyed companies , I can observe that the impairment disclosure of non-current assets in the financial reports for these companies can be regarded as unsatisfactory , and the information for the users related to the impairment loss remain incomplete.

5 Findings, Perspectives and Limitations

Implementing of impairment of assets is set out under the IFRS/ IFRS 36. Companies should implement and disclose additional information for each significant impairment loss. The percentage of companies which implement IFRS/IAS 36 as shown in table (3), only (57.38%) of these industrial companies recognized impairment losses in their financial statements .The disclosed information on significant impairments in 2015 was examined through the questionnaire. The results are presented in Table (4). In these results only (57.62%) of industrial companies disclosed impairment of accounting policy, and methods for classes of non- current asset impairment. The analysis is performed to test the two main hypotheses; both two null hypotheses have been accepted at the level of significance 0.05, hence, the analyses conclude that the industrial companies is far away from implementing and disclosing IFRS/IAS 36 despite the availability of appropriate skills, competencies and experience for the finance staff in impairment accounting for property, plant and equipment in these companies as shown with an average (3.15) which is more than (3) for paragraph (17) in table (3) . Paragraph (18) refers to audit committee that reviews the controls over the total asset management system and scrutinizes the asset impairment policies, and processes with an average (2.275) from the respondents' point of view, although the audit committee is considered a pivot base in these companies as per the Jordanian financial laws and regulation such as companies law 22 /1997 with its amendments. Based on the research results, we can see that there was no enough companies listed in ASE implement impairment accounting. Moreover, the research showed that the majority of the industrial listed companies didn't fully disclose the impairment amount ; didn't disclose the method in which the calculation of the recoverable amount of assets is made (57.5%) ; didn't disclose the loss of asset impairment in the financial statements (55%) ; didn't disclose the company's circumstances and events affecting the impairment of assets(56%) , in addition to didn't disclose the reverse of loss resulting from asset impairment(56%) ; but for some companies , they disclose the aggregate impairment loss of different groups of non-current assets (64.5%) , the disclosure also is very weak for the estimation of the assets in use if the deduction of discounted cash flows is made from these assets ; the company's discount cash flows rate is also weak ; disclosure the company's cash-generating units if the loss could not account for the impairment of each asset is poor ; and disclosing the company impairment loss of asset after the exclusion of accumulated depreciation in the financial position is poor. The study recommends; Industrial Companies in Jordan has to pay more attention to implement IFRS/ IAS 36, and to disclose impairment loss in its financial statements in accordance with the requirements in such standard. One of the current study limitation is to say that annual reports didn't directly disclose the impairment loss; nor the press releases, companies web sites, and interim reports have directly disclose such impairment requirements .

So, the study focuses only on the questionnaire given to the respondents. To encourage the professional internship in IFRS/IAS the syllabi particularly with impairment accounting standard that should be taken. Eventually, various prospective ways of further research through investigation seem to be worth mentioning, namely; the structure of impairment loss for different classes of non-current assets whether tangible or intangible for the industry sector or any other sector can be encouraged by another future researches; to follow the trends of impairment loss through a period of time not less than five years ; what is the effect of IFRS / IAS 36 on improving the accounting information practice in case of full implementation for impairment loss? Finally, does IFRS/IAS 36 adoption has an effect on the country's economy?

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