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A Digital Learning Platform for Generation Z: Passport to IFRS®

IAS® Standard 27 Separate Financial Statements

Co-funded by the Erasmus+ Programme of the European Union

WHAT CONSOLIDATED FINANCIAL STATEMENT IS?

SEPARATE FINANCIAL STATEMENTS

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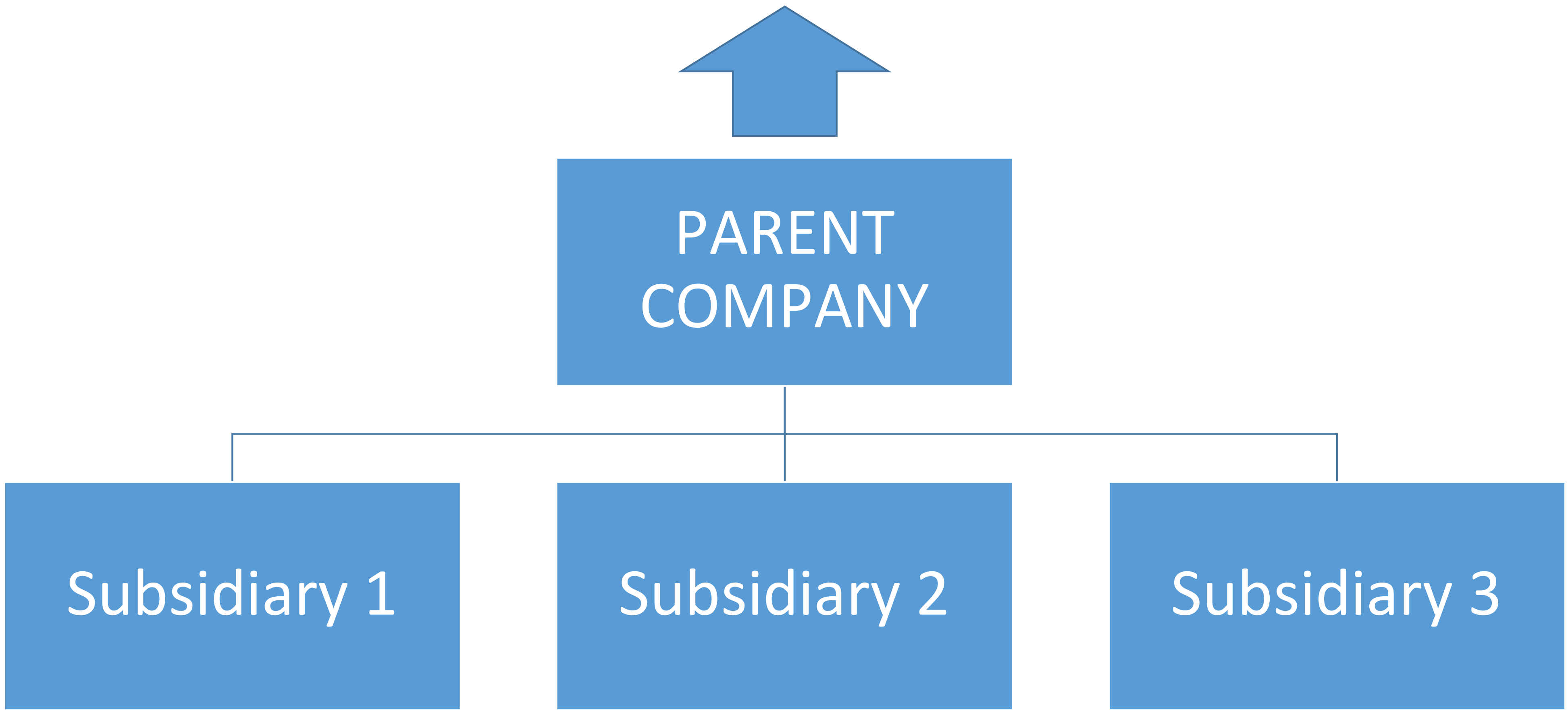
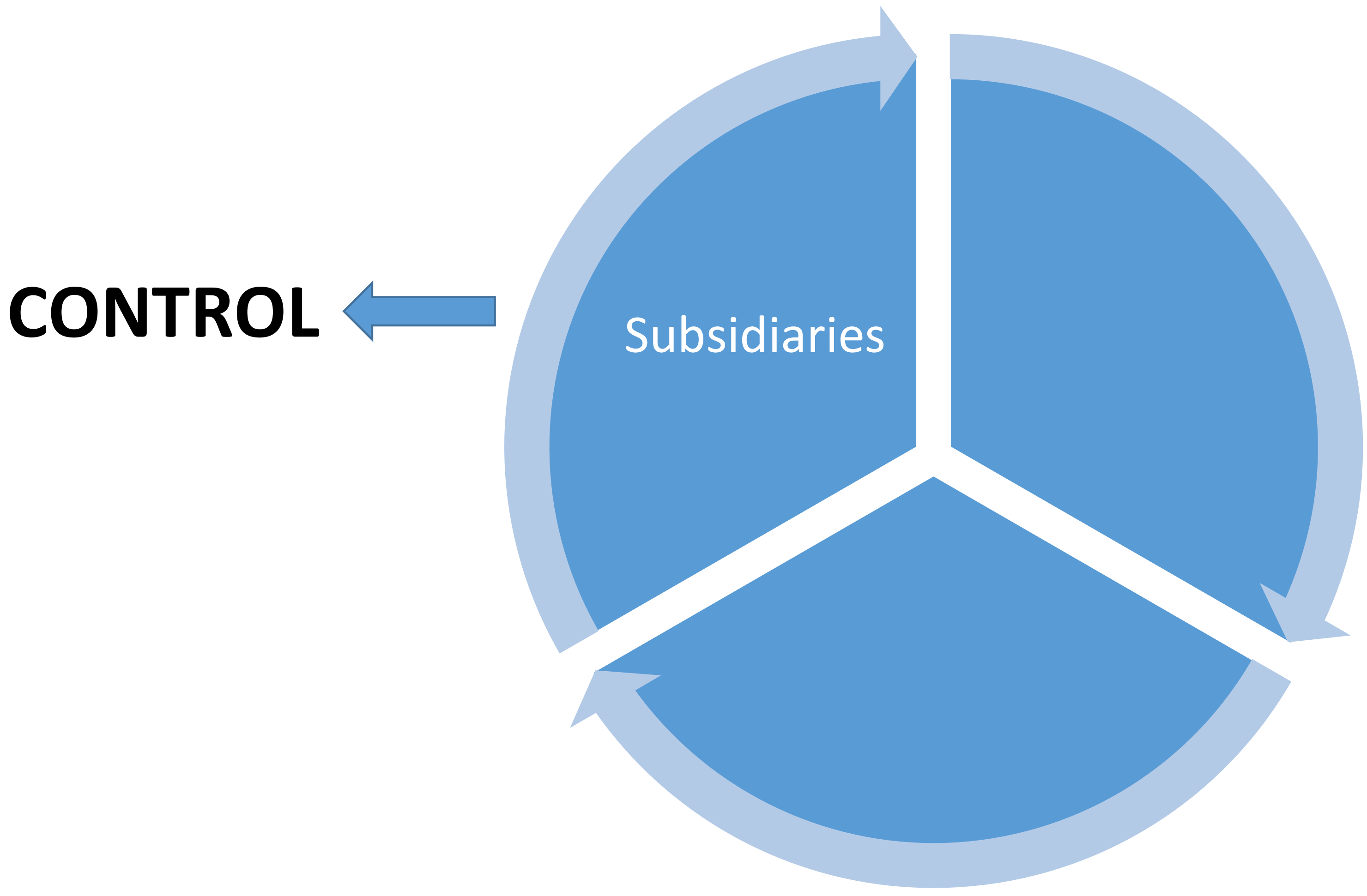
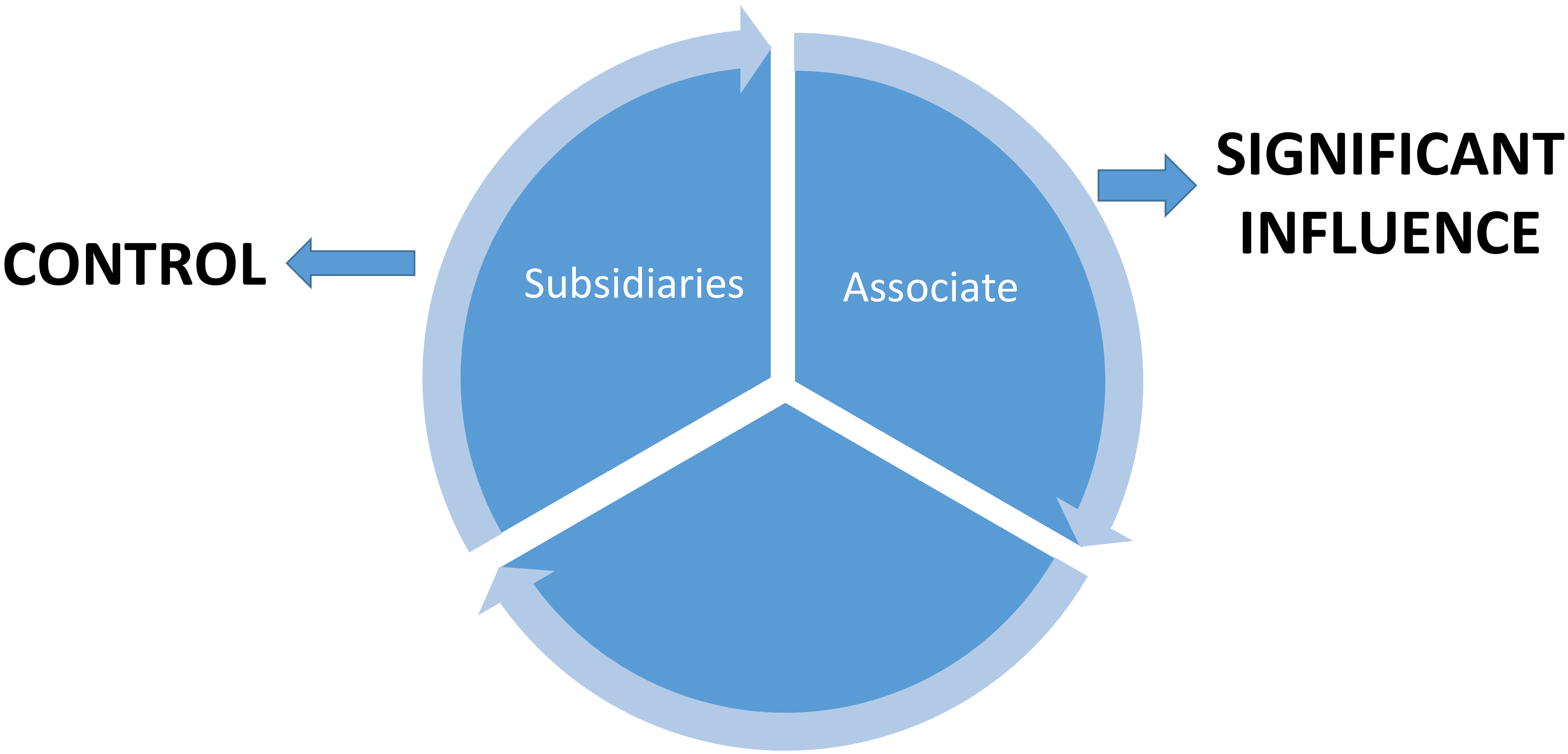
THE TERM “SEPARATE”

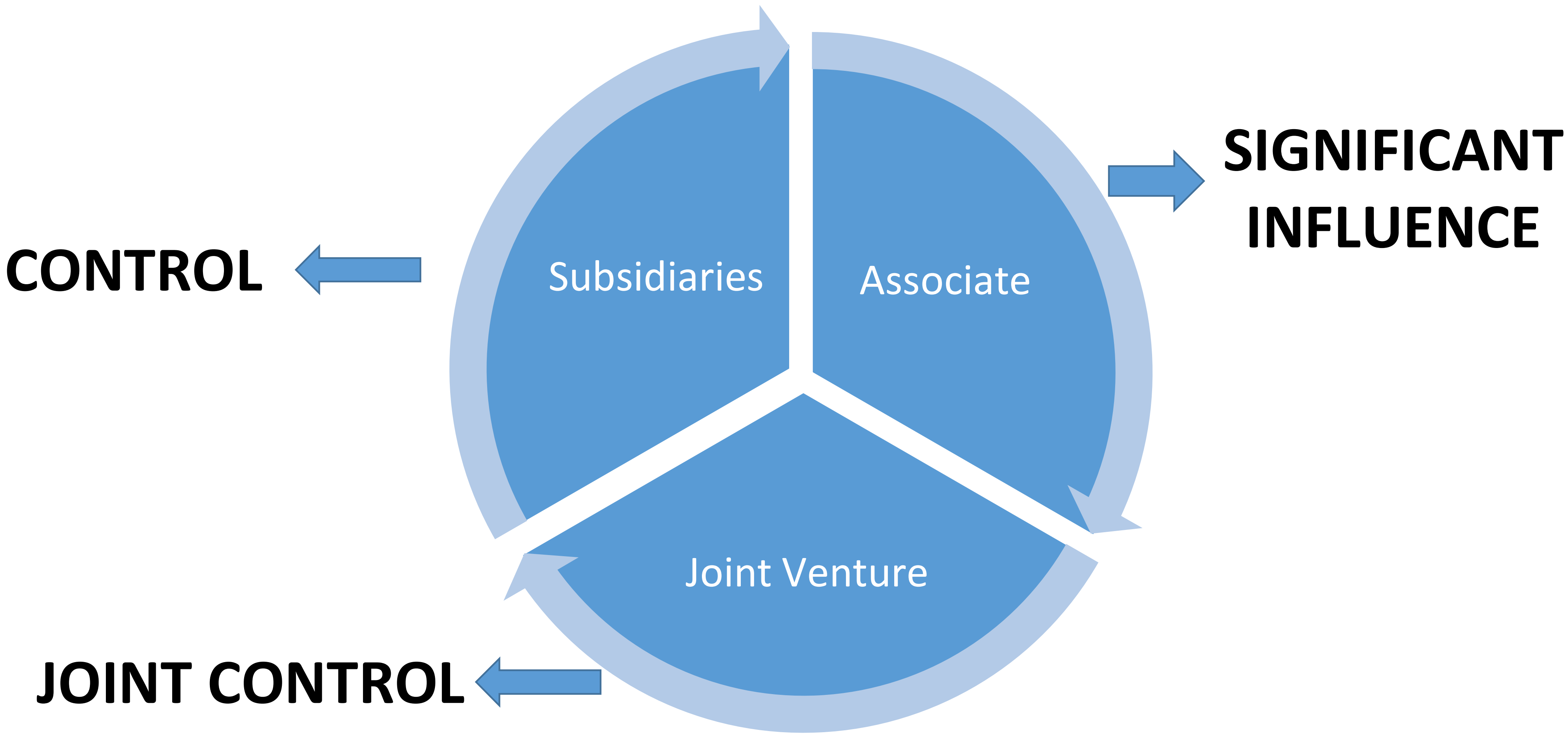
SEPARATE FINANCIAL STATEMENTS



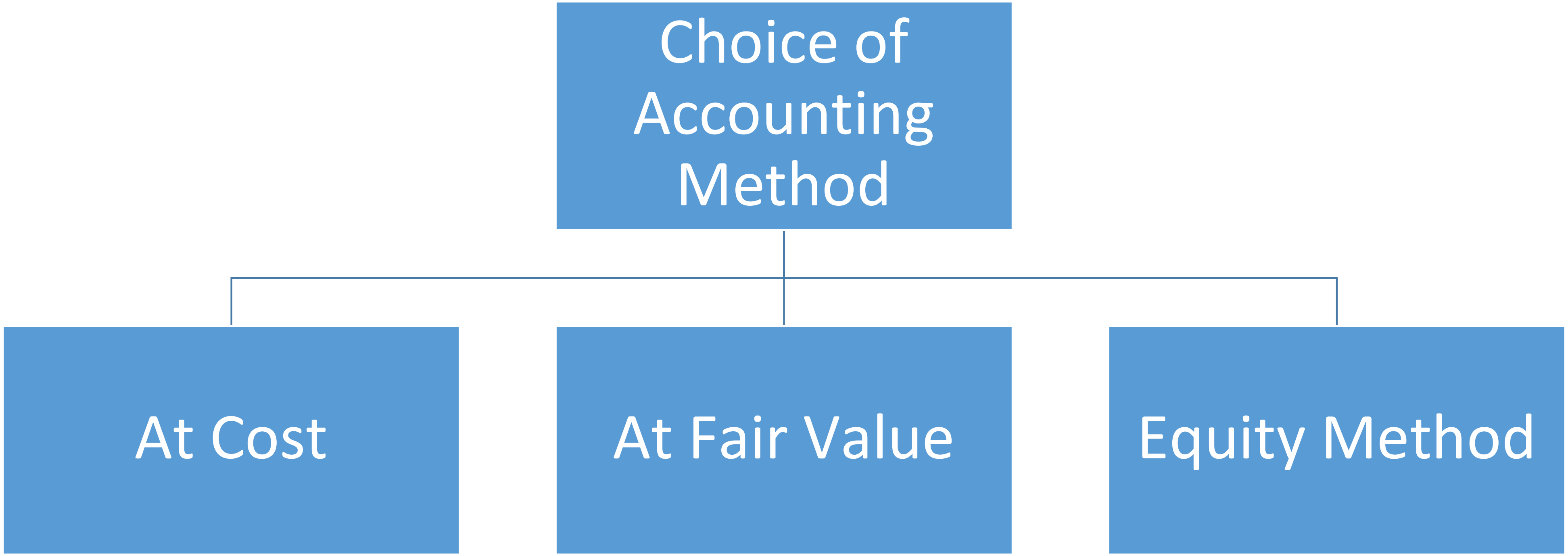
WHAT IS THE REQUIREMENT FOR SEPARATE FINANCIAL STATEMENTS?

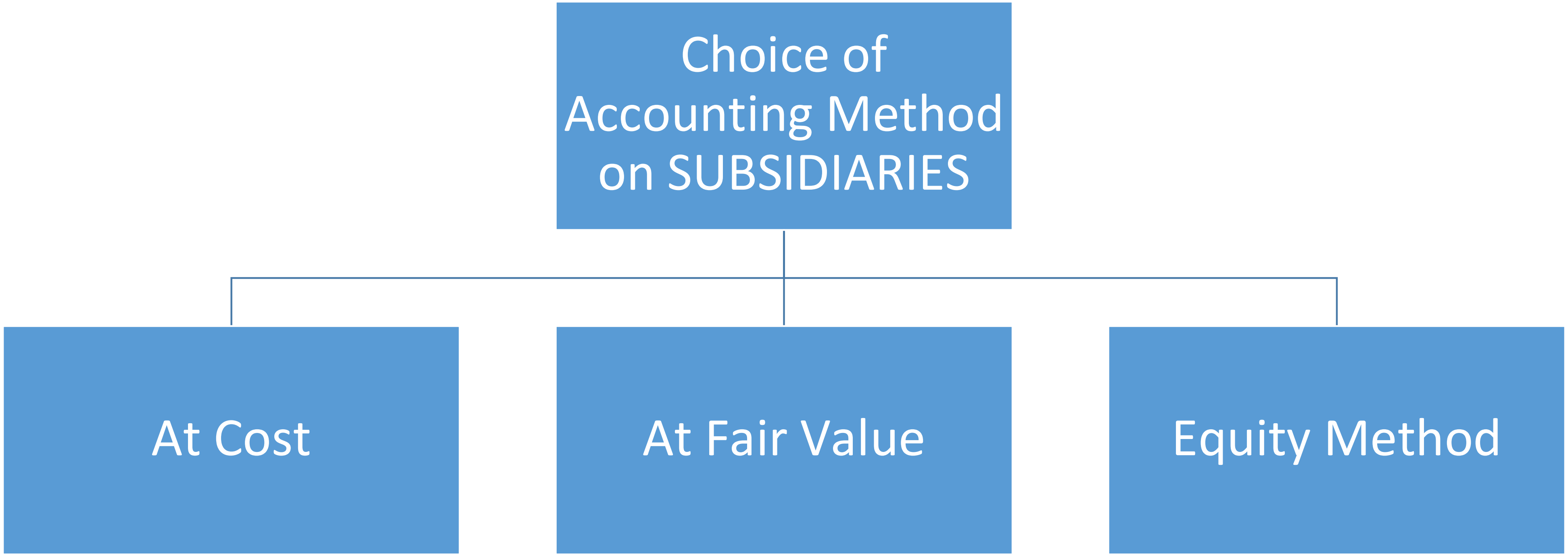

CONTROL
Subsidiaries


CONTROL
Subsidiaries
Associate
SIGNIFICANT INFLUENCE


SIGNIFICANT INFLUENCE
CONTROL
Subsidiaries
Associate
Joint Venture
JOINT CONTROL

PREPARATION OF SEPARATE FINANCIAL STATEMENTS


Choice of Accounting Method
At Cost
At Fair Value
Equity Method

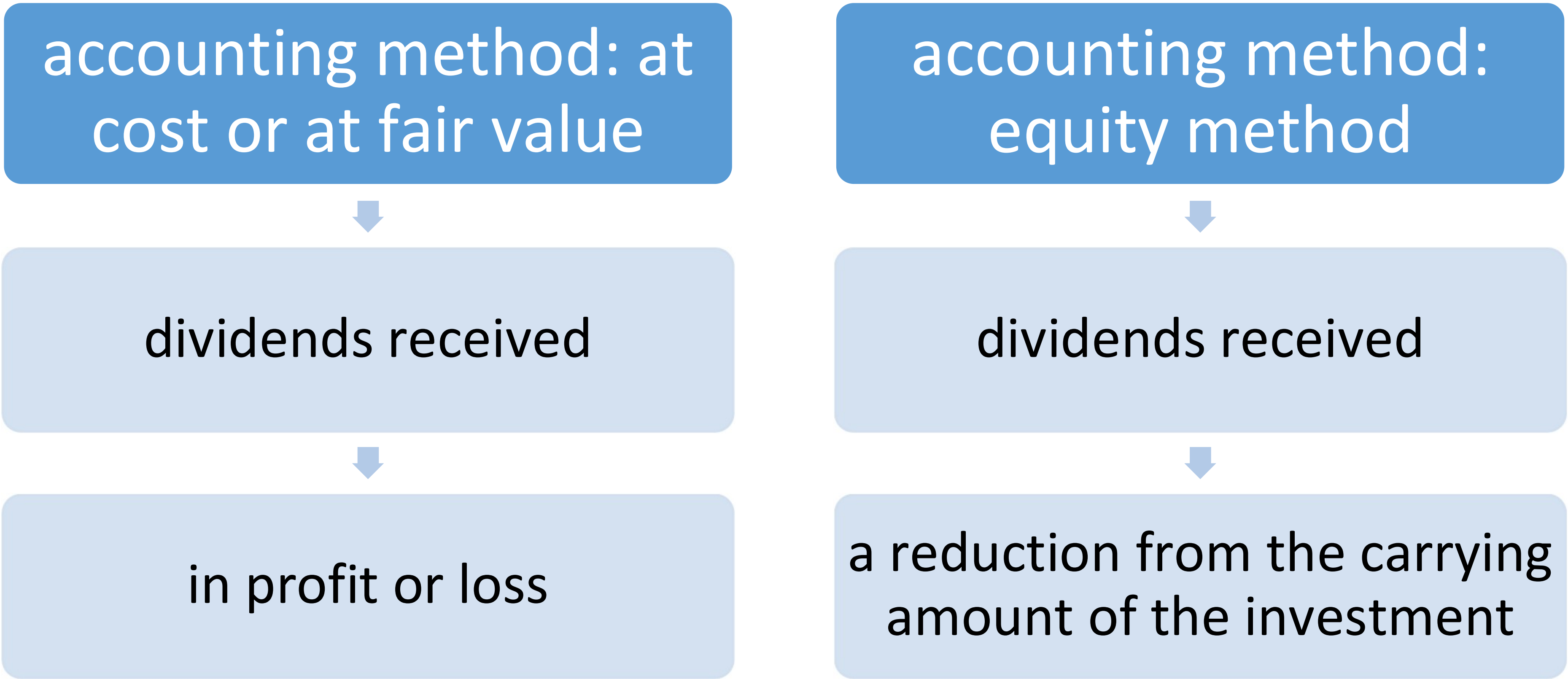

Choice of Accounting Method on SUBSIDIARIES
At Cost
At Fair Value
Equity Method

DIVIDENDS RECEIVED

accounting method: at cost or at fair value

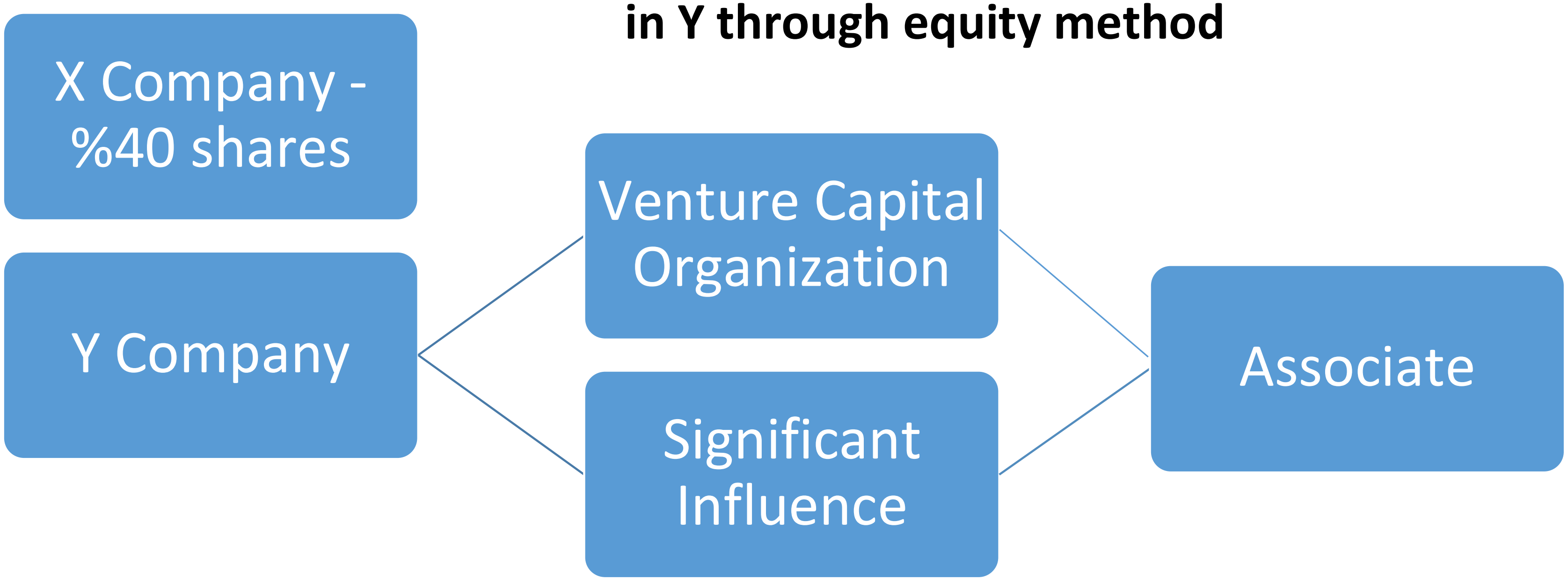
dividends received

in profit or loss


accounting method: at cost or at fair value
dividends received
in profit or loss
accounting method: equity method
dividends received
a reduction from the carrying amount of the investment

A) X elects to measure the portion of the investment in Y at fair value through profit or loss

B) X elects to measure the portion of the investment in Y through equity method



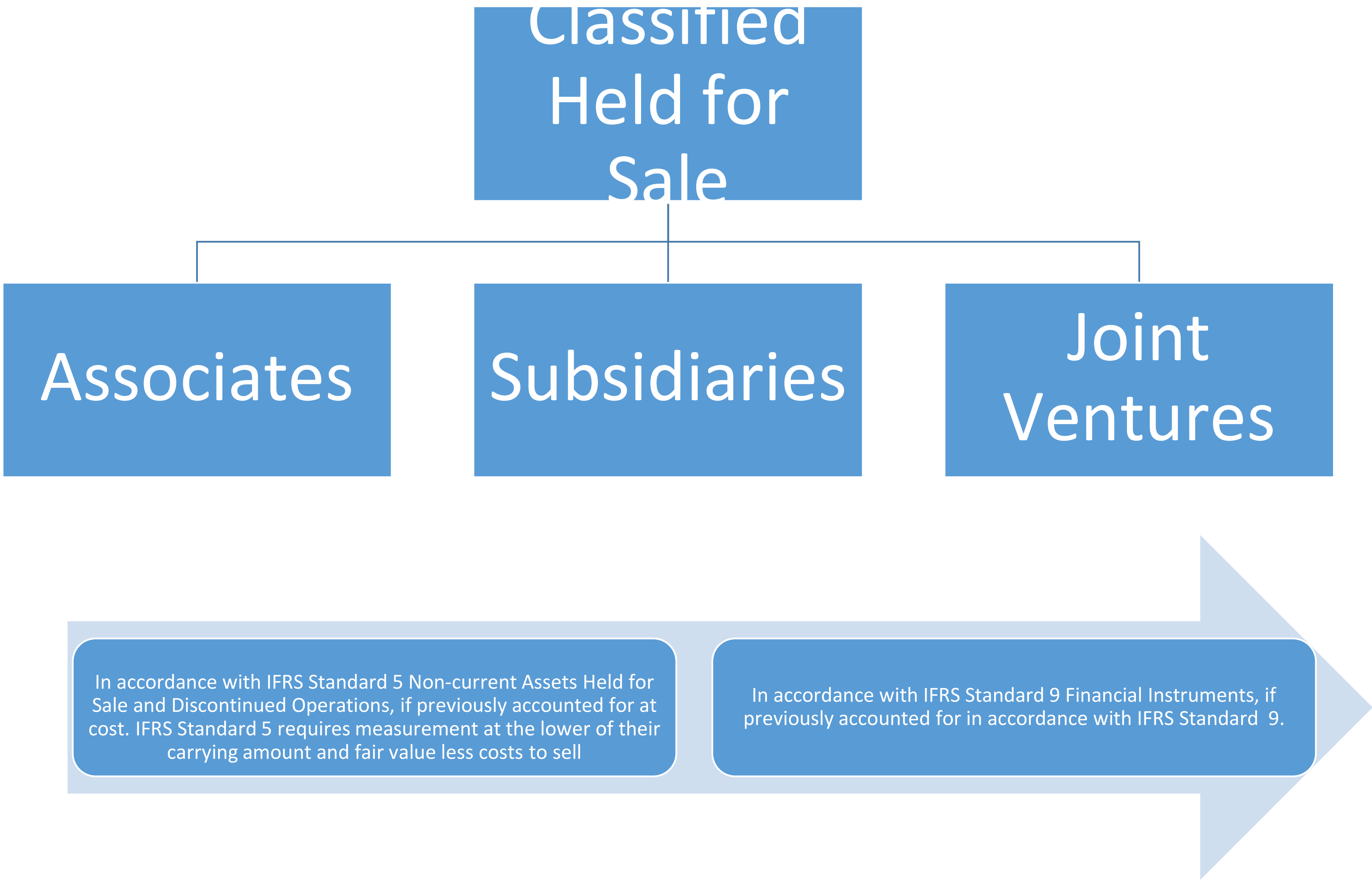
CASE A)

Dr. Cash		**4,000**	
	Cr. Profit or loss (retained earnings)		4,000

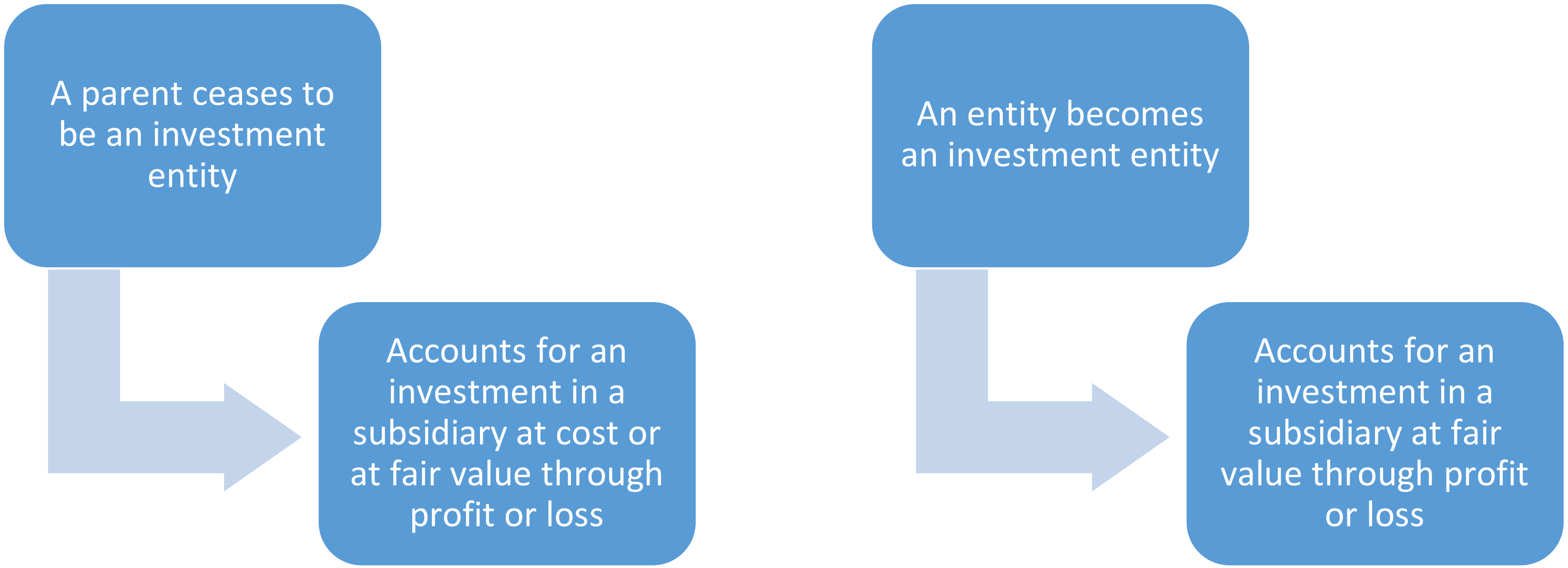
CASE B)

Dr. Cash		**4,000**	
	Cr. Investment in Y		4,000

Dr. Investment in Y		**12,000**	
	Cr. Income from Investment activities		12,000


Classified Held for Sale
Associates
Subsidiaries
Joint Ventures
In accordance with IFRS Standard 5 Non-current Assets Held for Sale and Discontinued Operations, if previously accounted for at cost. IFRS Standard 5 requires measurement at the lower of their carrying amount and fair value less costs to sell
In accordance with IFRS Standard 9 Financial Instruments, if previously accounted for in accordance with IFRS Standard 9.

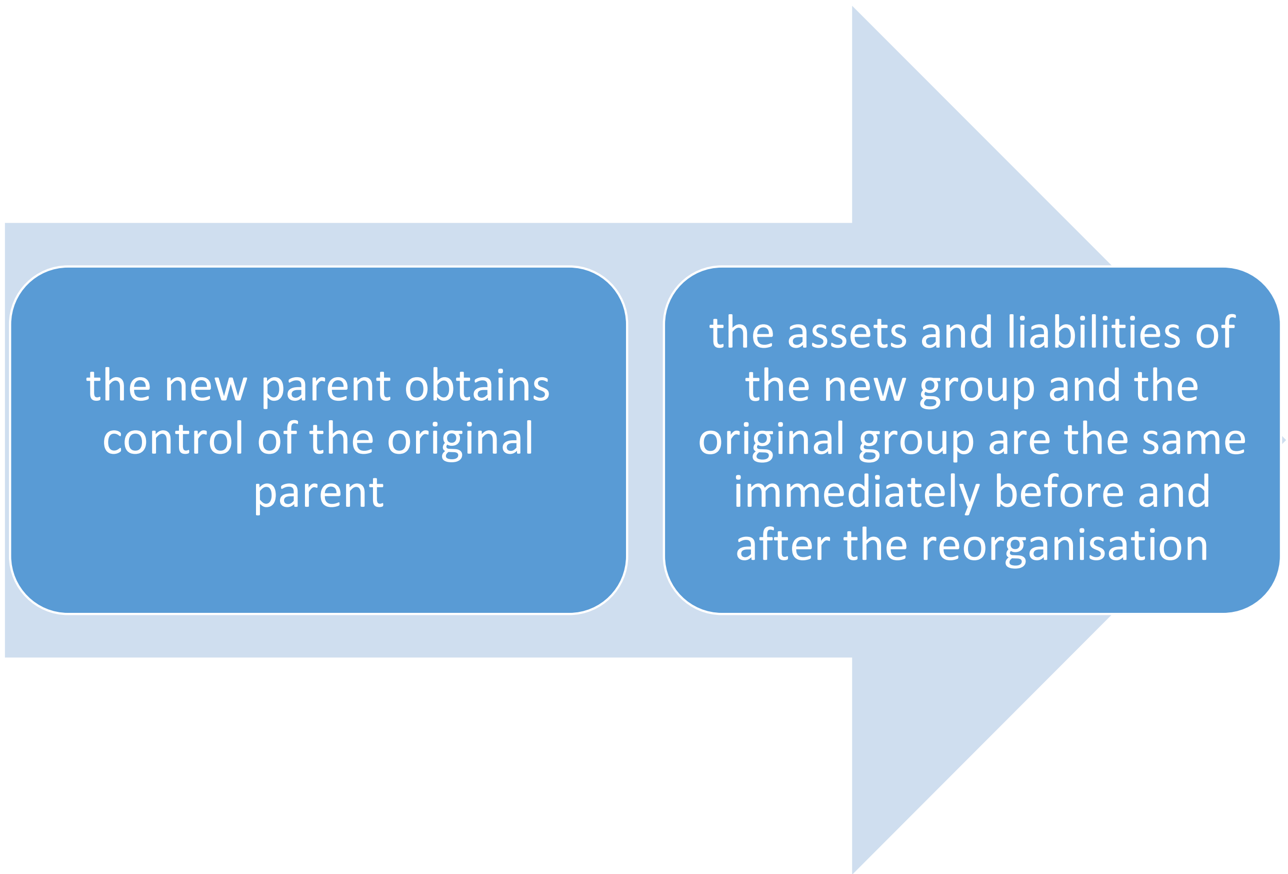
CASE FOR INVESTMENT ENTITIES



GROUP REORGANISATIONS

the new parent obtains control of the original parent

GROUP REORGANISATIONS



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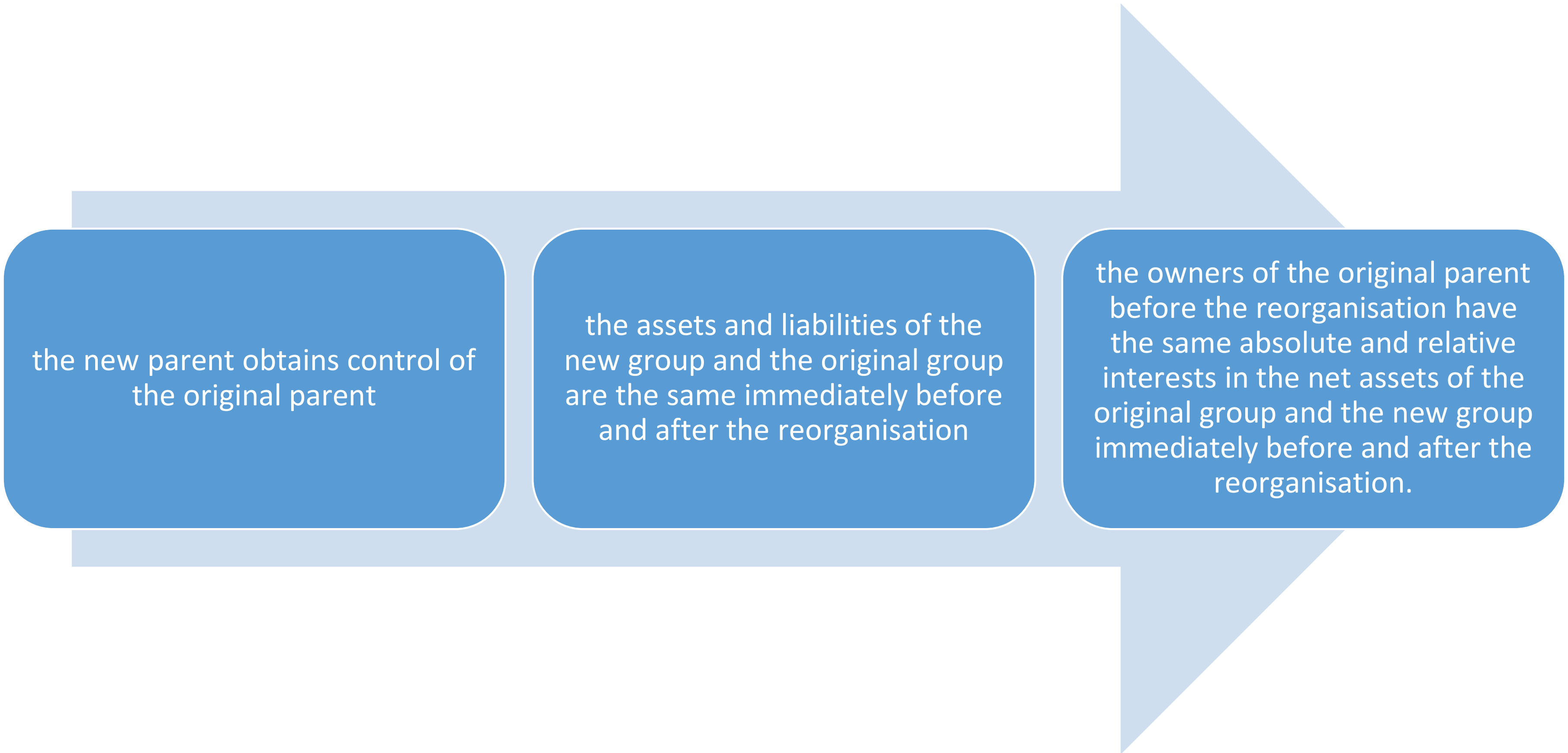

DISCLOSURE

Exempt from preparing consolidated financial statement

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Exempt from preparing consolidated financial statement

the fact that the financial statements are separate financial statements; that the exemption from consolidation has been used; the name and principal place of business (and country of incorporation if different) of the entity whose consolidated financial statements that comply with IFRS have been produced for public use; and the address where those consolidated financial statements are obtainable,

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a list of significant investments in subsidiaries, jointly controlled entities, and associates, including the name, principal place of business (and country of incorporation if different), proportion of ownership interest and, if different, proportion of voting rights,

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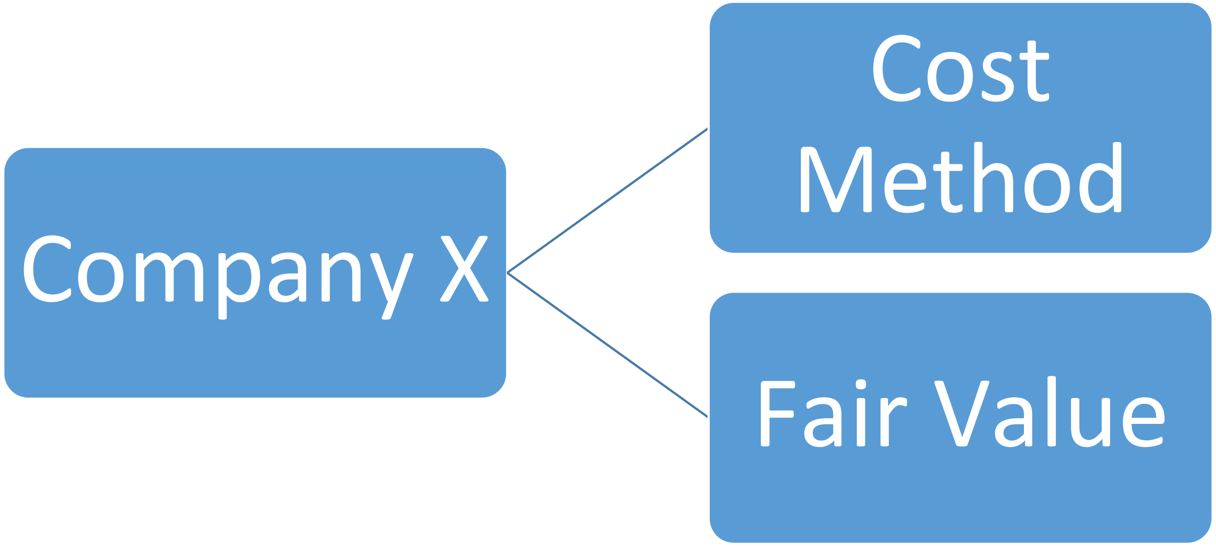
- a list of significant investments in subsidiaries, jointly controlled entities, and associates, including the name, principal place of business (and country of incorporation if different), proportion of ownership interest and, if different, proportion of voting rights,
- a description of the method used to account for the foregoing investments.

- Company A acquired the two investments during the year:
  - Investment 1: 70% of the ordinary shares that provides the majority voting rights of Company X for CU500,000.
  - Investment 2: Company Y is a venture capital organization and Company A holds 25% of the ordinary shares that do not provide the majority voting rights for CU200,000. Instead, Company A has significant influence on Company Y and in its consolidated financial statements Company Y is accounting for its fair value (not with the equity method).
- How will the accounting treatment for each investment be determined in the separate financial statements of Company A?

Investment 1



Investment 2

Company Y

Fair Value

Venture Capital

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