

# IAS 27 – Separate financial statements

# Separate Financial Statements

- **In case of SFS of the parent company, investment in subsidiaries, joint ventures and associates shall be accounted for:-**
  - At cost
  - In accordance with IFRS 9
- The entity shall apply the same accounting for each category of investments.
- **In case investment held for sale:-**
  - Investments accounted for at cost shall be accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations when they are classified as held for sale.
  - The measurement of investments accounted for in accordance with IFRS 9 is not changed in such circumstances.

# Disclosure Requirements

- **Must disclose:-**
  - That the FS are SFS
  - List of significant investments in subsidiaries, joint ventures and associates including:-
    - Name of those investees.
    - Principal place of business
    - Proportion of ownership interest held in those investees.
  - Method used to account for the investments
  - **In case investment entity** who is required to apply the exception to consolidation for all of its subsidiaries and present only SFS, shall disclose that fact.

IAS 28

Investments in Associates and Joint Ventures

# Scope and introduction

- IAS 28 must be applied by all entities that are investors with **joint control of, or significant influence** in an investee.
- **An associate** is any entity over which the investor has **significant influence**.
- A joint venture is joint arrangement whereby the parties have joint control of the arrangement have rights to the net assets of the arrangements.

# Significant influence

- Significant influence is the **power to participate in the financial and operating policy decisions of the investee.**
  - significant influence is not control (which indicates a subsidiary)
  - significant influence is not joint control (which indicates an interest in a joint arrangement)

# Significant influence continued

- Rebuttable Presumption: 20% or more voting power
- Significant influence is usually *evidenced* in one or more of the following ways:
  - representation on the board of directors;
  - participation in policy making, including decisions about dividends;
  - a close relationship involving transactions between investor and investee;
  - interchange of managerial personnel; or
  - provision of essential technical information.
- Potential voting rights included

# Measurement

## Measurement rule

- Associates and joint ventures are accounted for using the equity method

## Exemptions from the equity method

- Entity is a parent and the scope exemption in paragraph 4(a) of IFRS 10
- A venture capital organisation or similar entity can elect to measure its investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9.



# Equity method

- Method of accounting where the investment is initially recognised at cost and adjusted thereafter for changes in the investor's share of net assets in the investee.
- Goodwill is included in the carrying amount of the investment. It is not amortised. Therefore, the goodwill is tested for impairment as part of a single asset—the investment

	Initial Cost
+/-	Post acquisition share of profit/ loss (including amortisation of FV adjustments)
+/-	Share in direct changes in equity
-	Distribution of income
=	Carrying amount

# Example

## *equity method*

- On 1<sup>st</sup> April' 2013, A buys 30% of B for Rs 300,000/-. The fair value of net identifiable assets is Rs 9,00,000/-.

- Value of purchase:-

Net Identifiable assets	9,00,000/-
%age of share	<u>30%</u>
	2,70,000/-
Goodwill	<u>30,000/-</u>
	<u>3,00,000/-</u>

- 31<sup>st</sup> March' 2014

B's profit = 2,00,000 for the year ended 31/03/2014.

On 31/12/2013, B declared and paid dividend of 50,000.

# Example

*equity method*

	<b>Initial Cost</b>	<b>3,00,000</b>
+/-	Post acquisition share of profit/ loss (including amortisation of FV adjustments)	(+) 60,000
+/-	Share in direct changes in equity	-
-	Distribution of income	(-)15,000
=	Carrying amount	3,45,000

# Equity method continued

- Equity accounting for an associate's losses continues until the investment is reduced to zero.
- Additional losses may be recognised as a liability if an entity has a legal or constructive obligation or made payments on behalf of the associate or joint venture
  - Recognition of future share of profits only after share of profits equals losses

# Equity method continued

- The 'investment' includes not only shares in the associate, but also some non-equity interests such as some long-term receivables.
- Outstanding cumulative Preference shares, entity will compute its share after adjusting dividend on such shares, whether or not dividend have been declared
- Uniform accounting policies should be used
- If the associate or joint venture's year end differs from the investor's adjustments must be made for significant transactions that occurred between the dates
  - Difference in year-ends may not exceed three months

# Equity method continued

- Application of the equity method is discontinued when:
  - The investment becomes a subsidiary
  - Significant influence or joint control of the investment is lost
    - IFRS 9 application to interest retained (if any)
    - Profit or loss on disposal

# Equity method continued

- Unrealised gains or losses:-
- Unrealised gains/ losses from transactions between investor and associates must be eliminated.

# IFRS 11 - Joint Arrangements



# Introduction

- Objective
  - IFRS 11 *Joint Arrangements* establishes principles for financial reporting by parties to a joint arrangement.
- Scope
  - The standard must be applied by all entities who are party to a joint arrangement.

# Joint Arrangements

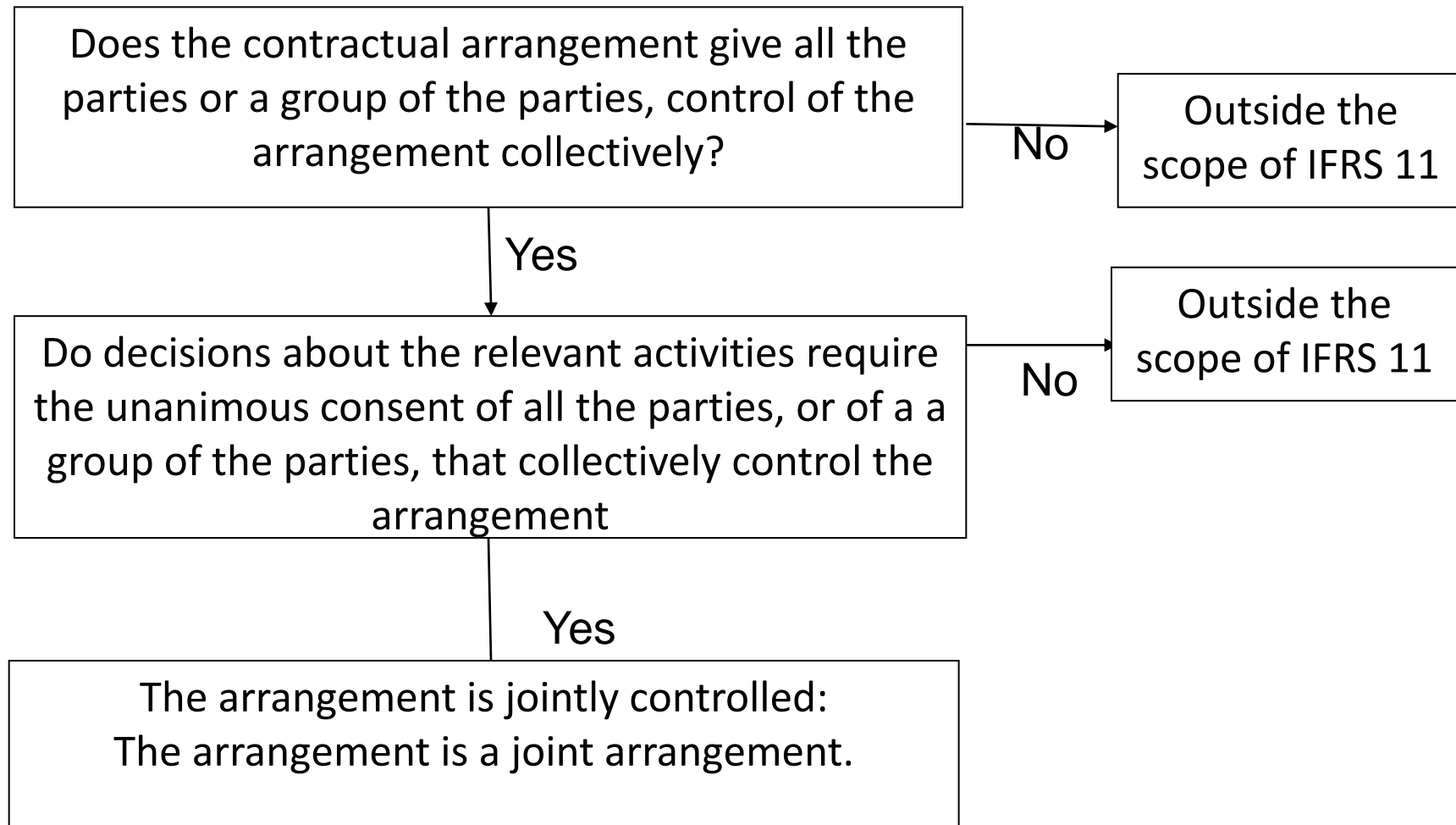
A **joint arrangement** is an arrangement of which two or more parties have joint control.

it has the following characteristics:

- (a) The parties are bound by a contractual arrangement
- (b) The contractual arrangement gives two or more of those parties joint control of the arrangement

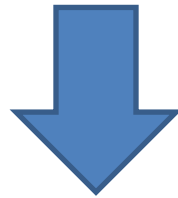
**Joint control** is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

# Assessing Joint Control



# Principle for Determining type of Joint Arrangement

IFRS 11 establishes a **principle-based approach** for the accounting for joint arrangements:



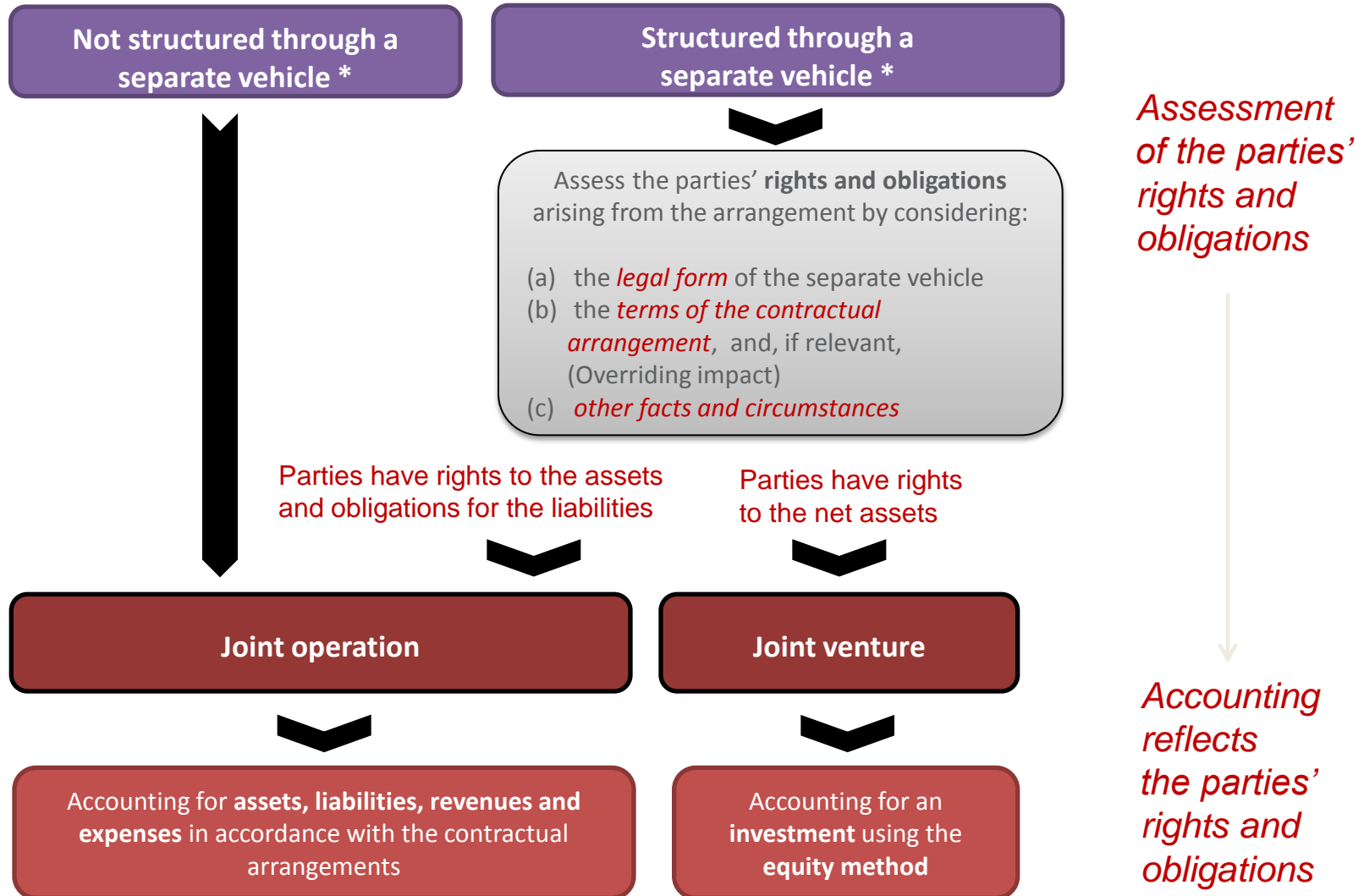
Parties to a joint arrangement recognise their **rights and obligations** arising from the arrangement, regardless of its structure or legal form

A joint arrangement is either a **joint operation** or a **joint venture**

# Application of the principle

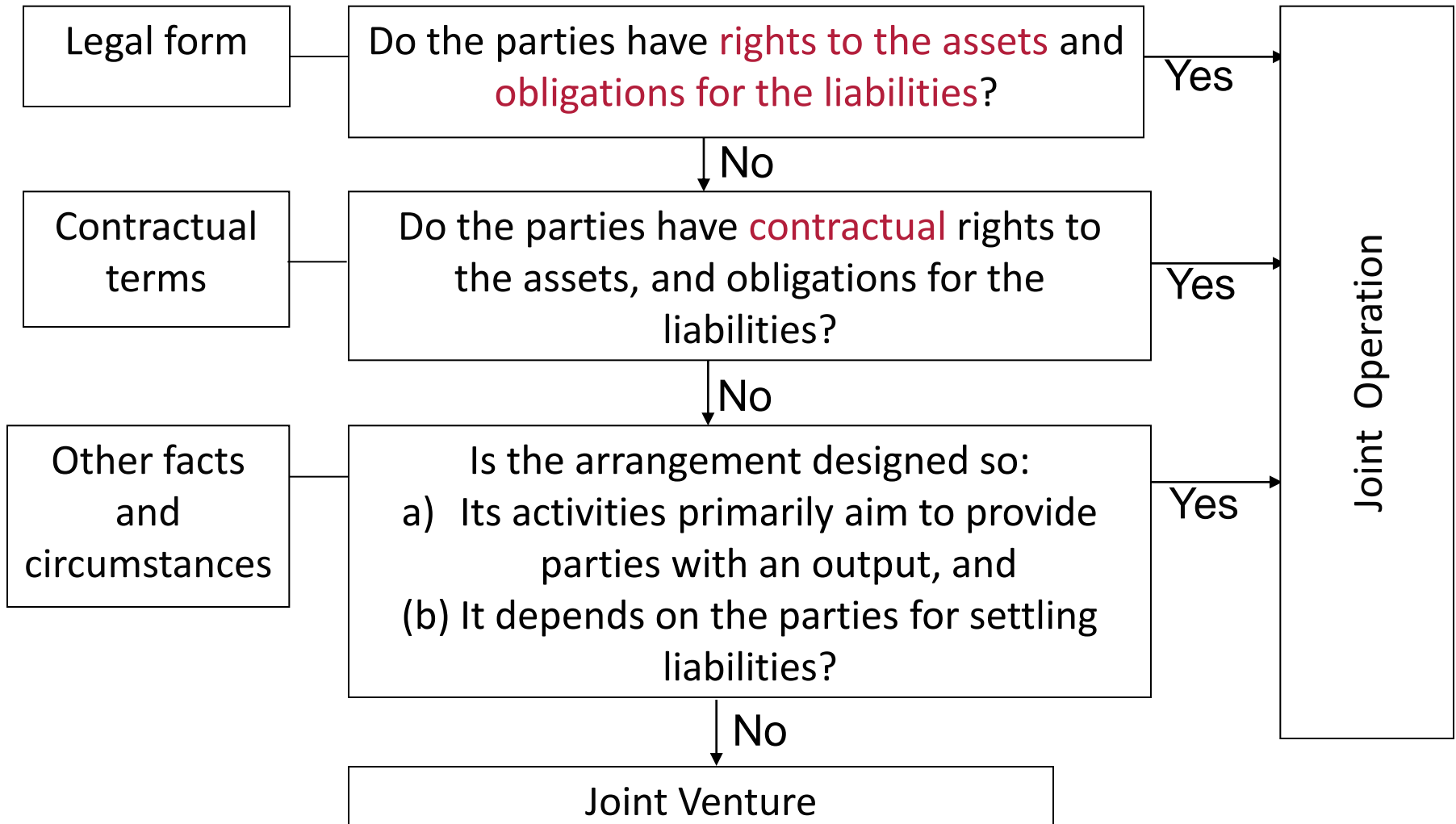
- Parties that have rights to the assets and obligations for the liabilities relating to the arrangement are parties to a **joint operation**.
  - A joint operator accounts for assets, liabilities and corresponding revenues and expenses arising from the arrangement.
- Parties that have rights to the net assets of the arrangement are parties to a **joint venture**.
  - A joint venturer accounts for an investment in the arrangement using the equity method.

# Classification of a Joint Arrangement



(\*): A *separate vehicle* is a separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.

# Separate vehicles



## Example: Assessing the terms of the contractual arrangement

Assume that two parties structure a joint arrangement in an incorporated entity. Each party has a 50 per cent ownership interest in the incorporated entity. The incorporation enables the separation of the entity from its owners and as a consequence the assets and liabilities held in the entity are the assets and liabilities of the incorporated entity. In such a case, the assessment of the rights and obligations conferred upon the parties by the legal form of the separate vehicle indicates that the parties have rights to the net assets of the arrangement.

However, the parties modify the features of the corporation through their contractual arrangement so that each has an interest in the assets of the incorporated entity and each is liable for the liabilities of the incorporated entity in a specified proportion. Such contractual modifications to the features of a corporation can cause an arrangement to be a joint operation.



# Example: *Other facts and circumstances*

- A and B jointly establish a corporation D over which they have joint control to process the ore from the mine C
- A & B have agreed to the following:
  - A & B will purchase all the output produced by D in a ratio of 60:40 (in proportion to ownership interest in D)
  - D cannot sell the output to third parties
  - Price of the output is set by A and B at a level to cover production and admin costs (i.e. D breaks even)

From the fact pattern above, the following facts and circumstances are relevant:

- The obligation of the parties to purchase all the output produced by entity C reflects the exclusive dependence of entity C upon the parties for the generation of cash flows and, thus, the parties have an obligation to fund the settlement of the liabilities of entity C.
- The fact that the parties have rights to all the output produced by entity C means that the parties are consuming, and therefore have rights to, all the economic benefits of the assets of entity C.

These facts and circumstances indicate that the arrangement is a **joint operation**

# Example:

## *Construction and real estate*

- A separate vehicle is established, over which two parties have joint control.
  - The purpose of the Joint Arrangement is to construct and sell residential units to the public
  - Neither the legal form nor the contractual terms give the parties rights to the assets or obligations for the liabilities of the arrangement
  - Contributed equity by the parties is sufficient to buy the land and raise debt finance for the construction
  - Sales proceeds will be used to repay external debt and remaining profit is distributed to parties
  - Parties provide guarantee to financier

# IFRS 10 – Consolidated financial statements

# Objective

- IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

# Scope

An entity that is a parent shall present consolidated financial statements. Some **exceptions** are as follows:

(a) a parent need not present consolidated financial statements if it meets all the following conditions:

(i) it is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;

(ii) its debt or equity instruments are not traded in a public market;

(iii) it did not file, nor is it in the process of filing, its financial statements for the purpose of issuing any class of instruments in a public market; and

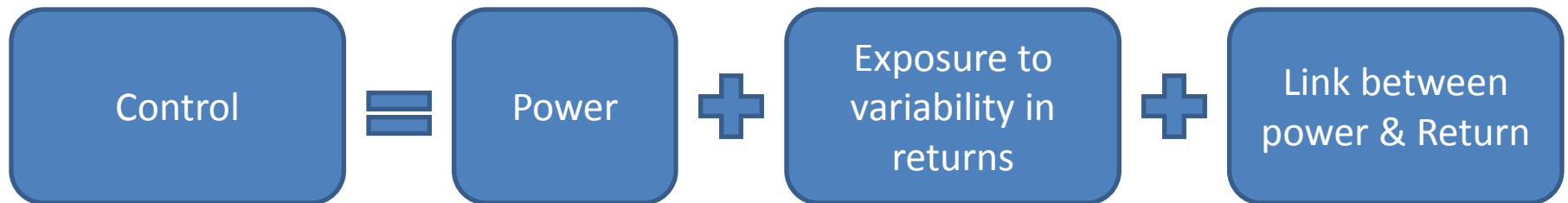
(iv) its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRSs.

(b) post-employment benefit plans or other long-term employee benefit plans to which IAS 19 Employee Benefits applies.

(c) an investment entity are prohibited from consolidating particular subsidiaries.

# Definition of control

An investor controls an investee when the investor is **exposed, or has rights, to variable returns** from its involvement with the investee and has the **ability to affect those returns** through its **power** over the investee.



# Control Assessment

- Determining whether an investor controls an investee involves assessing whether the investor:
  - has power over the investee
  - exposure, or rights, to variable returns from its involvement with the investee
  - the ability to use its power over the investee to affect the amount of the investor's returns.

**Power :-It is necessary for investor to have existing rights that give it current ability to direct the activities that significantly affect the investee's returns**

# Assessing control of an investee

- Consider the purpose and design
- Identify the relevant activities of the investee that significantly affect the returns of the investee
- Identify how decisions about relevant activities are made
- Determine whether the rights of the investor give it the ability to direct the relevant activities
- Determine whether the investor is exposed, or has rights, to the variability associated with the returns of the investee
- Determine whether the investor has the ability to use its power over the investee to affect its own returns



# Consider the purpose and design

- The purpose and design of an investee could impact the assessment of what the relevant activities are, how those activities are decided, who can direct those activities, and who can receive returns from those activities
- The consideration of purpose and design may make it clear that the entity is controlled by voting or potential voting rights
- Voting rights in some cases may not significantly impact an investee's return. The investee may be on 'auto-pilot' through contractual arrangements

# Relevant Activities and direction of relevant activities

- IFRS 10 defines ‘relevant activities’ as those activities of the investee that significantly affect the investee’s returns
- IFRS 10 offers a wide range of possible ‘relevant’ activities including but not limited to:
  - (a) Sales and purchases of goods and services;
  - (b) Management of financial assets before and after default;
  - (c) selection, acquisition and disposal of assets;
  - (d) Research and development; and
  - (e) Funding activities
- Decisions over relevant activities may include operating, capital and budgetary decisions; or the appointment, remuneration and termination of service providers or key management

# Power over relevant activities

- An investor must have rights that provide the current ability to direct relevant activities to have power. This ability can stem from a wide variety of rights, including voting or potential voting rights, rights to appoint or remove decision-makers including key management veto rights and contractual rights.
- Indicators relating to the practical ability to direct the investee
  - Non-contractual ability to appoint investee's key management personnel (KMP)
  - Non-contractual ability to direct investee to enter into significant transactions or veto such transactions
  - Ability to dominate the nomination of members to the investee's governing body or obtain proxies from other vote-holders
  - Investee's KMP, or majority of governing body, are related parties of the investor (for example, investee and investor share the same CEO)

# Power over relevant activities....

- **Other Indicators** relating to the practical ability to direct the investee
  - Investee's KMP are current or ex-employees of the investor
  - Economic dependence on investor
    - Funding, Licences or trademarks, Guarantees, Key management, Critical services, personnel, Technology, Specialised knowledge Supplies or raw materials, Other critical assets
  - Economic dependence alone does not lead to power
  - Investees' activities either involve or are conducted on behalf of investor
  - **Disproportionate exposure**:- Exposure or rights, to returns from involvement with investee is disproportionately greater than voting or similar rights. For example, 50% exposure but <50% votes. Non-contractual ability to appoint investee's key management personnel (KMP)

# *Power with a majority of the voting rights*

An investor with more than half of the voting rights has power, when the conditions illustrated in the following flowchart are fulfilled.

Does investor hold majority of voting rights?

Yes

Either Relevant activities are directed by majority vote; or  
Majority of governing body that directs relevant activities are appointed by majority vote

Yes

**Are voting rights substantive?**

Voting rights cannot be substantive if the investee is subject to direction by a government, court, administrator, receiver, liquidator or regulator

Yes

Do voting rights provide current ability to direct relevant activities

Yes

**Power**

# Power without a majority of voting rights

- Contractual arrangements with other vote holders
- Rights arising from other contractual arrangements
- Ownership of the largest block of voting rights in a situation where the remaining rights are widely dispersed (**'de facto control'**)
- Potential voting rights
- A combination of the above

# Potential voting rights

- Substantive potential voting rights (PVR) can give the holder power
- The purpose and design of the potential voting right instrument and the purpose and design of any other involvement the investor has with the investee should be assessed. Consider the terms and conditions, including:
  - Whether there are any barriers that prevent the holder from exercising
  - Whether exercise of the rights would be beneficial to the holder
  - Whether the rights are exercisable when decisions need to be made
- Other voting or decision rights held by the investor

## *Assessment of whether decision maker is principal or agent*

- Does any single party have the ability to remove the decision maker without cause
- Is the decision maker's remuneration commensurate with his skill level
- Does the remuneration agreement include only terms, conditions and amounts that are customarily present in arm's-length contracts for similar services
- Scope of decision-maker's authority over investee
- Decision maker's exposure to variability of returns from other interests in the investee
- rights held by other parties (ie kick-out rights)



# Consolidation Principle

- Consolidated financial statements present the parent and all its subsidiaries as financial statements of a single economic entity
  - uniform accounting policies
  - same reporting periods
  - eliminate intragroup transactions and balances
  - non-controlling interest (the equity in a subsidiary that is not attributable, directly or indirectly, to the parent) is presented within equity, separately from the parent shareholders' equity.
  - Unrealised Profits on transactions

# Example: *Consolidation procedures*

- On 1/1/20X1 entity A acquires 100% of entity B for CU1,000 when B's share capital & reserves = CU700 (net FV of B's assets & liabilities = CU800).
- B has no contingent liabilities. The CU100 difference between CA & FV is i.r.o. a machine with 5 yrs remaining useful life and nil residual value.
- B's profit for the year ended 31/12/20X1 = CU400.
- In 20X1 A sold inventory which cost it 100 to B for 150. At 31/12/20X1 B's inventory included CU60 inventory bought from A.
- Ignore taxation effects.

## Example: *Consolidation procedures* continued

- The proforma journal entry at acquisition to eliminate A's investment in B; recognise goodwill; & eliminate B's share capital & reserves accumulated before it became part of the group.

Property, plant & equipment	100	
B's at-acquisition share capital & reserves	700	
Goodwill (asset)	200	
A's investment in B		1,000

## Example: *Consolidation procedures* continued

- Proforma journal entry to increase depreciation to group values (remaining estimated useful life = 5 years):

Profit or loss	20	
Property, plant & equipment		20

# Example: *Consolidation procedures* continued

- Proforma journal entry to eliminate intragroup sale of inventory and the unrealise profit in inventories (ignoring tax effects):

Profit or loss (revenue)	150	
Profit or loss (COS)		150
Profit or loss (COS)	20	
Inventory (asset)		20

# Non-controlling interest (NCI)

- Non-controlling interest (NCI) in net assets consists of:
  - the amount of the NCI recognised in accounting for Business Combination at date of acquisition;
  - the NCI's share of recognised changes in equity (ie recognised changes in Sub's net assets) since the date of the combination.

# Example: *NCI*

- On 1/1/20X1 entity A acquires 75% of entity B for CU1,000 when B's share capital & reserves = CU700 (net FV of B's assets & liabilities = CU800).
- B has no contingent liabilities. The CU100 difference between CA & FV is i.r.o. a machine with 5 yrs remaining useful life and nil residual value.
- Ignore taxation effects. B's profit for the year ended 31/12/20X1 = CU400.
- In 20X1 A sold inventory which cost it 100 to B for 150. At 31/12/20X1 B's inventory included CU60 inventory bought from A.

## Example: *NCI* continued

### Eliminate Investment

- Proforma journal entry at acquisition is:

Property, plant & equip.	100	
B's at-acquisition share capital & reserves	700	
Goodwill	400	
Non-controlling interest		200
A's investment in B		1,000



## Example: *NCI* continued

Adjust consolidated depreciation

- Proforma journal entry to increase depreciation to group values (remaining estimated useful life = 5 years):

Profit or loss	20	
Property, plant & equipment		20

## Example: *NCI* continued

Allocate profit

- Proforma journal entry allocating the NCI their share of B's profit for the year:

NCI profit allocation	95	
NCI (equity)		95

### Calculation:

Profit	400
Depreciation adjust	(20)
	<hr/>
	380
	<hr/>
25% attributable to NCI	<u>95</u>

## Example: *NCI* continued

- Proforma journal entry to eliminate downstream intragroup sale of inventory and the unrealised profit in inventories (ignoring tax effects):

Profit or loss (revenue)	150	
Profit or loss (COS)		150
Profit or loss (COS)	20	
Inventory (asset)		20

## Example: *NCI upstream sale*

- Same as previous example except upstream sale of inventory (ie from B to A)
- Same proforma journal entries as in previous example and an additional journal entry (below) to eliminate from NCI their share of the unrealised profit:

NCI (equity)	5	
NCI profit allocation		5

# Loss of control

- If a parent no longer controls a subsidiary, the parent:
  - Derecognises the assets and liabilities of the former subsidiary.
  - Recognises any retained investment at fair value when control is lost. This investment is subsequently accounted for as a financial instrument or, if appropriate as an associate or joint venture.
  - Recognises a gain or loss associated with loss of control.

# IFRS 12 – Disclosure of Interests in Other Entities

# Objective

- IFRS 12 requires an entity to disclose information that enables users of financial statements to evaluate:
  - the **nature of, and risks associated** with, its interests in other entities; and
  - the **effects of those interests** on its financial position, financial performance and cash flows.
- That evaluation assists users in making decisions about providing resources to the entity.

# Scope

- IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.
- It does not apply to:
  - Post-employment plans.
  - Entities' separate financial statements.
  - A joint arrangement where joint control does not exist (unless significant influence exists).
  - An interest in another entity accounted for in terms of IFRS 9 (with exceptions).



# Disclosures

- ***significant judgements and assumptions*** made in determining interest:-
  - control of another entity (see IFRS 10)
  - Joint control (see IFRS 11) of an arrangement or significant influence (see IAS 28) over an entity
  - type of joint arrangement when the arrangement has been structured through a separate vehicle
- information ***about interests*** in:
  - subsidiaries
  - joint arrangements and associates
  - unconsolidated structured entities
- any additional information that is necessary to meet the disclosure objective

Strike a balance between overburdening financial statements with excessive detail and obscuring information as a result of too much aggregation

# Subsidiaries

- The composition of the group (including any changes)
- Interest that NCI have in the group's activities and cash flow
- The effect of significant or unusual restrictions
  - On its ability to access/use assets or settle the liabilities
  - the nature and extent to which protective rights of non-controlling interests can significantly restrict the entity's ability to access or use the assets and settle the liabilities of the group
  - the carrying amounts in the consolidated financial statements of the assets and liabilities to which those restrictions apply
- The nature of, and changes in, the risks associated with structured entities
- Consequences of changes in its ownership interest that don't result in a loss of control
- Consequences of losing control during the reporting period

# Interest that non-controlling interests have in the group's activities and cash flows

- The name of the subsidiary.
- The principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary.
- The proportion of ownership interests held by NCI.
- The proportion of voting rights held by NCI, if different from the proportion of ownership interests held.
- The profit or loss allocated to NCI of the subsidiary during the reporting period.
- Accumulated NCI of the subsidiary at the end of the reporting period.
- Dividend paid to NCI
- Summarised financial information about the subsidiary.

- **Consequences of losing control during the reporting period**

An entity shall disclose :

- The portion of that gain or loss attributable to measuring any investment retained in the former subsidiary at its fair value at the date when control is lost; and
- the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).

# Unconsolidated structured entities

## Nature and extent of interests in unconsolidated structured entities

- Qualitative and quantitative information
  - eg nature, purpose, size, activities and financing
- For sponsors not providing other risk disclosures
  - Type of income earned
  - The carrying amount of all assets transferred

## Nature of, and changes in, the risks associated with an entity's interests

- Carrying amount of the assets and liabilities recognised
- Maximum exposure to loss and comparison to carrying amounts
- Non-contractual support provided

# Joint arrangements and associates

## **Nature, extent and financial effects of interests in joint arrangements and associates, eg\***

- List and nature of interests
- Quantitative financial information
- Unrecognised share of losses of JVs and associates
- Fair value (if published quoted prices available)
- Nature and extent of any significant restrictions on transferring funds

## **Nature of, and changes in, the risks associated with the involvement**

- Commitments and contingent liabilities

\* for individually-material joint ventures and associates

# IFRS 3 – Business Combinations

# Definition and Application

- A business combination is a transaction or other event in which a reporting entity (the acquirer) obtains control of one or more businesses (the acquiree).
- IFRS 3 does not apply to the following:
  - the formation of a **joint venture**
  - the acquisition of an asset or group of assets that is not a business as defined
  - a combination of entities or businesses under **common control**

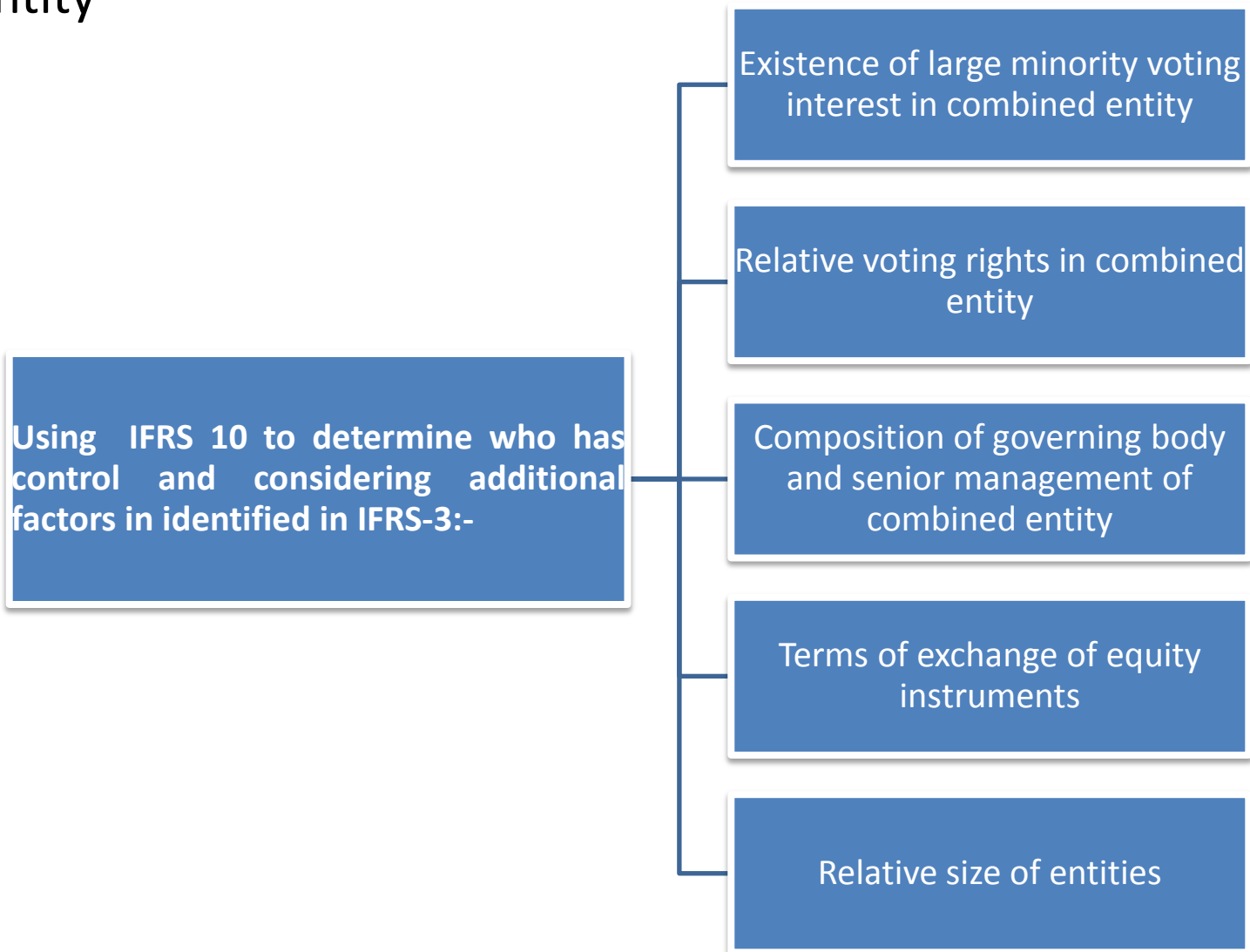


# Steps to Acquisition Accounting

- Business combinations are accounted for using the acquisition method, ie
- Step 1: Identify the acquirer
- Step 2: Determine the acquisition date
- Step 3: Identify and measure consideration transferred
- Step 4: Identify and measure identifiable net assets
- Step 5: Measure NCI
- Step 6: Determine goodwill or gain on a bargain purchase
- Step 7: Recognise any measurement period adjustments

# Identifying the acquirer

- The acquirer is the entity that obtains control of another entity



# Determining the acquisition date

- The acquisition date is the date on which the acquirer obtains control
  - often the date the consideration is transferred, assets are acquired and liabilities assumed—closing date
  - may be other dates (earlier or later than the closing date) at which control is assumed

# Consideration transferred

- The consideration transferred is measured at the fair value of the sum of assets transferred and liabilities assumed
  - **acquisition-related costs** are excluded
  - **contingent consideration** is included at its fair value at acquisition date (subsequent changes in fair value are not included in the consideration transferred at acquisition-date)

# Example:

*What is the cost of the Bus Com?*

- Entity A acquires 75% of entity B in exchange for CU85,000 cash and 1,000 entity A shares (fair value = CU10,000) issued for the transfer.
- Entity A incurred CU5,000 advisory and legal costs directly attributable to the business combination and CU1,000 share issue expenses.

# Recognition and measurement

## Recognition & Measurement principle:

- separate recognition of identifiable assets acquired, liabilities **and contingent liabilities** assumed
- assets and liabilities that qualify for recognition are measured at their acquisition-date fair values
- measurement at fair value provides relevant information that is more comparable and understandable

# Exception to recognition principle

Contingent liability recognised if:



- Present obligation from past event and
- Fair value can be measured reliably

# Exceptions to the measurement

- Reacquired rights
  - measured at fair value based on remaining contractual term ignoring the fair value effect of renewal
- Share-based payment transactions
  - replacement awards: measured in accordance with IFRS 2
- Assets held for sale
  - measured in accordance with IFRS 5 (ie fair value less costs to sell)



# Exceptions to both the recognition and measurement principles

- Income taxes
  - deferred tax assets or liabilities arising from acquired assets or liabilities accounted for using IAS 12
- Employee benefits
  - accounted for using IAS 19
- Indemnification assets
  - may not be recognised at fair value if it relates to an item not recognised or measured in accordance with IFRS 3

# Measure NCI

NCI are measured either at:

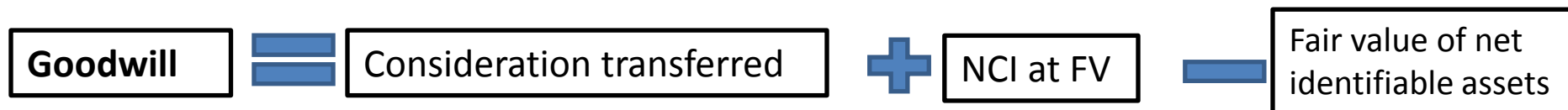
Their proportionate interests in fair value of identifiable net assets

Fair value

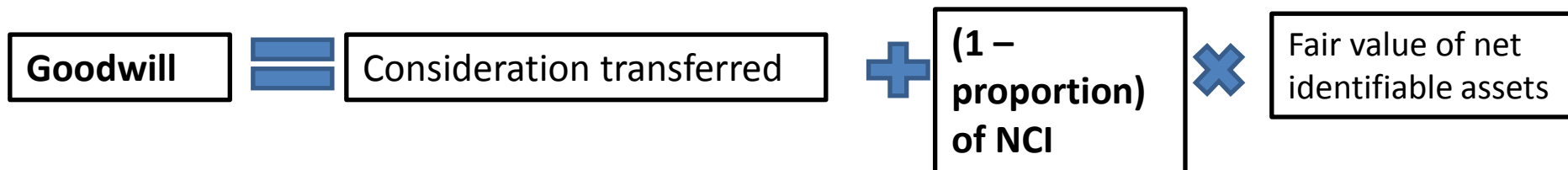
# Determine goodwill or gain on bargain purchase

Goodwill (an asset) is measured initially indirectly as the difference between the consideration transferred excluding transaction costs in exchange for the acquiree's identifiable assets, liabilities and contingent liabilities

## Option 1: NCI measured at fair value



## Option 2: NCI measured at their proportionate interest in identifiable net assets



- ***Goodwill is not amortised, but is subject to an impairment test.***

# Gain on bargain purchase

The acquisition equation results in a gain on bargain purchase

Reassess identification and measurement

Recognise gain in profit or loss

# Disclosure

- Comprehensive disclosure requirements designed to enable users to evaluate the nature and financial effects of business combinations (and any adjustments made to prior period business combinations).
- Refer to IFRS 3.B64–B67.