

Change in Control

Top Tip: Think about what happened in the separate financials, reverse that and apply normal accounting principles to the group figures.

Types

- IFRS9 to Subsidiary
- Subsidiary to IFRS9
- Increase / Decrease in % holding
- Associate to Subsidiary
- Subsidiary to Associate



IFRS9 to Subsidiary

- Revalue Investment to FV on acquisition date
- Derecognize IFRS9 investment
- Recognize Subsidiary
- Consideration = FV of IFRS9 on acquisition date + additional consideration



Subsidiary to IFRS9

- Recognize profit / loss up to date of disposal
- Derecognize Assets and Liabilities
- Derecognize NCI
- Derecognize separate profit / loss
- Recognize group profit / loss
- Recognize IFRS9 investment at FV on acquisition date.



Change in % holding

- Recognize profit / loss at original % up to change date
- Recognize additional profit / loss at new % after change date.
- Changes goes to change in ownership reserve



Group Profit

- NAV of Sub at Sale Date - NCI + Goodwill - Consideration.
- Answer > 0 thus loss
- Answer < 0 thus gain



Subsidiary to Associate

- Recognize profit / loss up to date of disposal
- Derecognize subsidiary
- Recognize group profit / loss and derecognize separate profit / loss
- Recognize Associate



Associate to Subsidiary

- Apply equity accounting to date of change
- Derecognize associate
- Recognize the subsidiary and apply subsidiary accounting principles.

