



IAS 27 Separate Financial Statements

Objective

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

Scope

This Standard shall be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulations, to present separate financial statements

Effective date

An entity shall apply this Standard for annual periods beginning on or after 1 January 2013.

Defined terms

Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.

Separate financial statements are those presented by an entity in which the entity could elect, subject to the requirements in this Standard, to account for its investments in subsidiaries, joint ventures and associates either at cost, in accordance with IFRS 9 *Financial Instruments*, or using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*.

Preparation of separate financial statements

Recognition and measurement

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

- (a) at cost;
- (b) in accordance with IFRS 9 *Financial Instruments*; or
- (c) using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*.

The entity shall apply the same accounting for each category of investments. Investments accounted for at cost or using the equity method 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 or for distribution (or included in a disposal group that is classified as held for sale or for distribution). The measurement of investments accounted for in accordance with IFRS 9 *Financial Instruments* is not changed in such circumstances.

Dividends

Dividends from a subsidiary, a joint venture or an associate are recognised in the separate financial statements of an entity when the entity's right to receive the dividend is established. The dividend is recognised in profit or loss unless

the entity elects to use the equity method, in which case the dividend is recognised as a reduction from the carrying amount of the investment.

Presentation and disclosure

An entity shall present and disclose information that enables users of the financial statements to evaluate the financial effects of investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements:

In the Notes to the financial statement:

An entity shall apply all applicable IFRSs when providing disclosures in its separate financial statements, including the requirements below:

- (a) When a parent elects not to prepare consolidated financial statements and instead prepares separate financial statements,
 - (i) it shall disclose in those separate financial statements:
 - 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 International Financial Reporting Standards have been produced for public use; and
 - the address where those consolidated financial statements are obtainable;
 - a list of significant investments in subsidiaries, joint ventures and associates, including:
 - the name of those investees.
 - the principal place of business (and country of incorporation, if different) of those investees.
 - its proportion of the ownership interest (and its proportion of the voting rights, if different) held in those investees;
 - (ii) a description of the method used to account for the investments listed under (i).