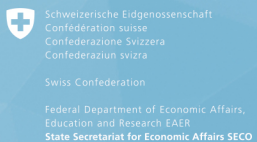




THE PULSAR PROGRAM IS MANAGED BY



THE PULSAR PROGRAM IS CO-FUNDED BY



PULSAR Community of Practice

IPSAS 35:

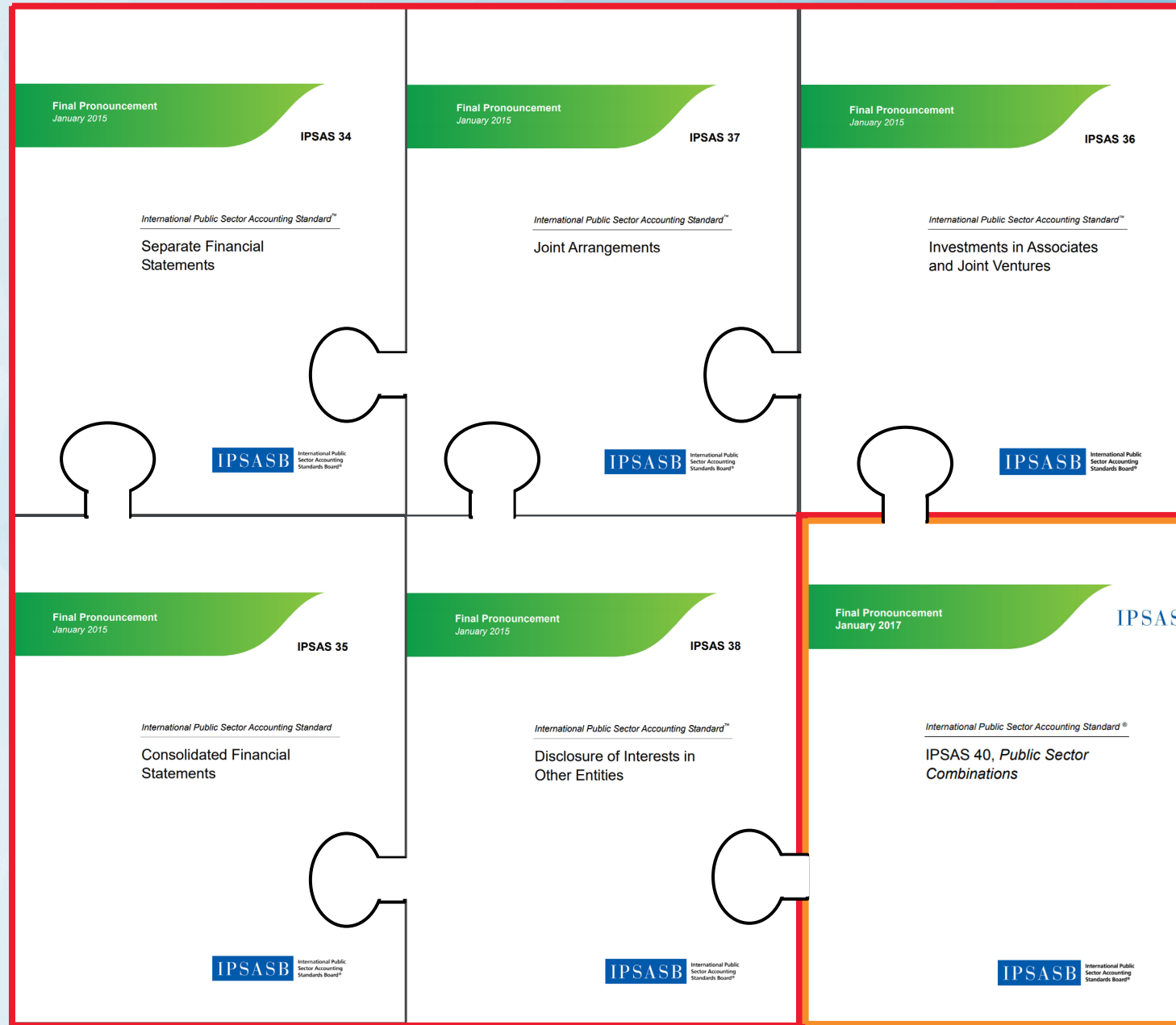
Consolidated

Financial Statements

Ross Smith, IPSASB Program and Technical Director

December 1, 2022 – Vienna, Austria

Accounting for Interests in Other Entities



Accounting for Combinations with Other Entities

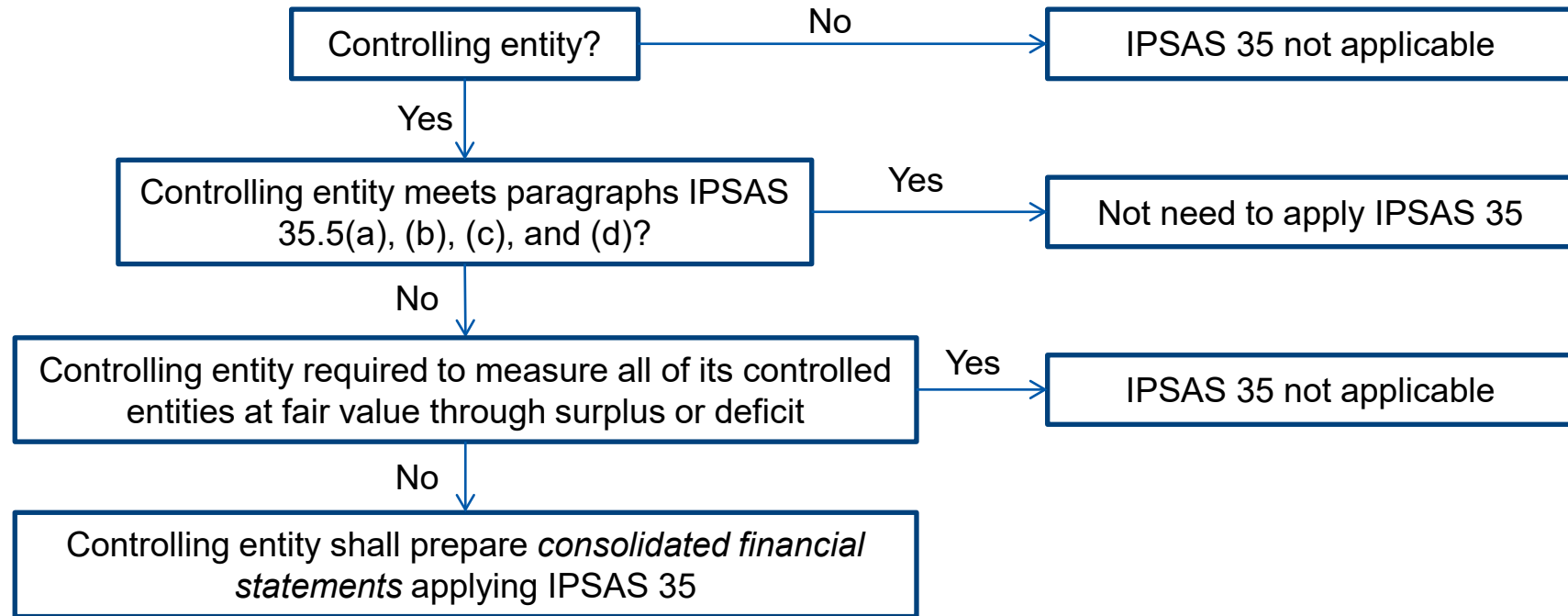
Control and Involvement with Other Parties

3

Influence	Meaning	Accounting
Control (IPSAS 35)	<ul style="list-style-type: none">• Exposure, or has rights, to variable benefits; and• Ability to affect the nature or amount of those benefits	Consolidation
Joint control (IPSAS 37)	Agreed sharing of control	Joint venture – equity method Joint operation – assets, liabilities, revenue, expenses
Significant influence (IPSAS 36)	Power to participate in the financial and operating policy decisions	Equity method
Lack of influence (IPSAS 41)	None of the above	Financial Instruments

Scope

4



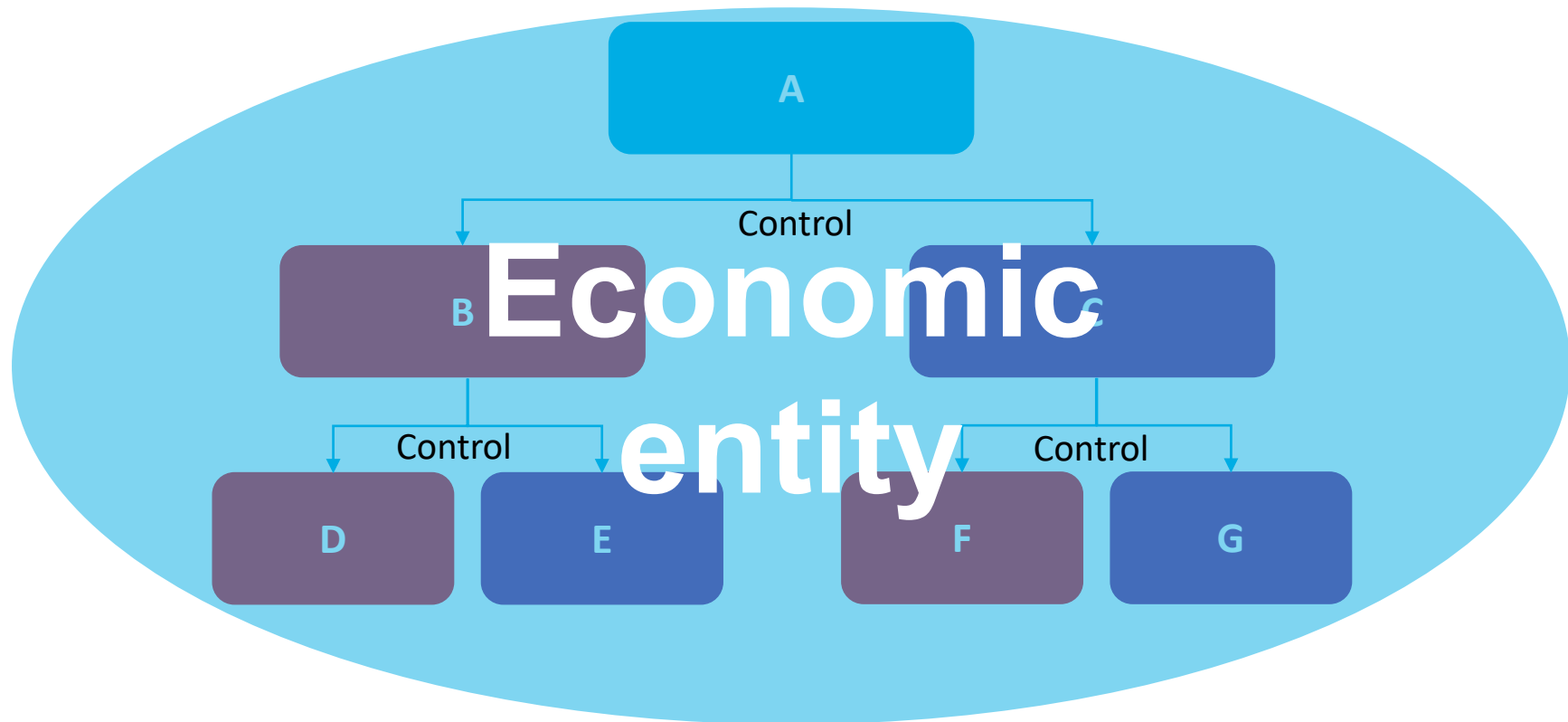
Introduction

5

- » IPSAS 35, *Consolidated Financial Statements* was issued in January 2015
- » Effective date: January 1, 2017
- » Drawn primarily from IFRS 10, *Consolidated Financial Statements*
- » Some differences from IFRS 10:
 - » Terminology and definition of binding arrangement
 - » More guidance on non-financial benefits
 - » Public sector specific illustrative examples

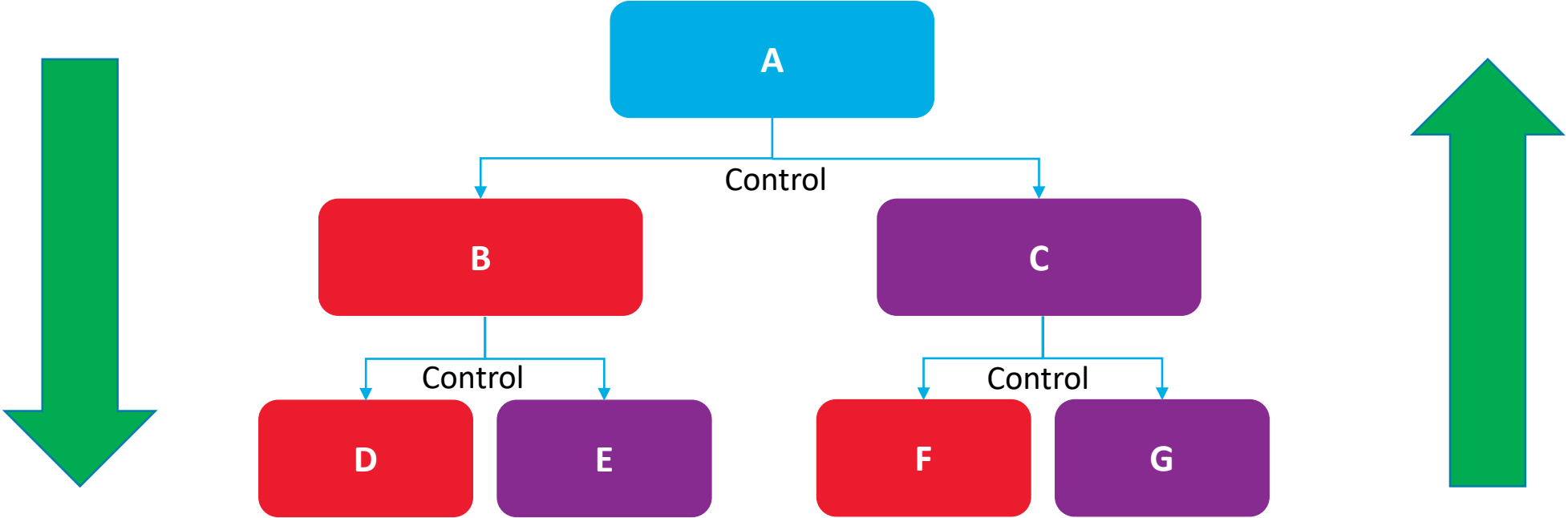
Economic Entity

6



Approaches to Consolidation

7



Accounting Requirements

8

» Consolidation Procedures

- » Combine like assets, liabilities, net assets/equity, revenues, expenses and cash flows
- » Eliminate investments in controlled entities
- » Eliminate balances and transactions between entities of the economic entity
- » If necessary, adjust to conform accounting policies
- » If necessary, adjust for significant transactions between financial statement dates
- » Identify non-controlling interests in surplus or deficit and net assets/equity



Thank you!