IAS 27
Separate financial statements

1. Objective

This Standard prescribes the rules applicable to the preparation and presentation of separate financial statements of a parent company and in particular the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates. It does not stipulate, however, which entities are required to present separate financial statements.

2. Scope

Separate financial statements are those presented by the parent company together with the consolidated financial statements of the parent company.
A subsidiary is a company that is **controlled** by another company. A group is made up of the parent company and all of the subsidiaries that it holds.
An entity controls another entity when it is exposed to, or has rights to, variable returns from its involvement with the investee, and it has the ability to influence those returns due to the power that it holds over the investee.
An entity has significant influence over another entity when it directly or indirectly exerts **significant influence** over the other party's voting rights or whose voting rights are significantly influenced by the other party.
This Standard does not permit the application of the equity method in the preparation of separate financial statements.

3. Accounting impact

When preparing these separate financial statements, the parent company must apply all the IFRS in force on the presentation date.
It accounts for its equity investments in subsidiaries, joint ventures and associates either:

- at cost;
- in accordance with IFRS 9.

The parent company applies the **same accounting method** to **each category of equity investment.**

Dividends coming from a subsidiary, a joint venture or an associate are recognized as profit or loss once the right to the dividend has been established.

4. Disclosure

The separate financial statements must include in particular:

of the parent company may be presented together with the parent company's consolidated financial statements. Alternatively, they may be presented in cases where the parent company is exempt from the requirements to prepare and present consolidated financial statements.

In cases where consolidated financial statements are prepared in accordance with IFRS 10, the separate financial statements of the parent company should disclose the following:

- confirmation that the financial statements are in compliance with IFRS, as well as the application of all IFRS in force at the time the financial statements are drawn up;
- a list of investments in subsidiaries, joint ventures and associates (names and principal place of business of the investees, share of equity capital and voting rights held);
- a description of the methods used to account for the investments;
- an indication of the reasons why these financial statements are presented when there is no legal obligation to do so;
- principal place of business, as well as the nature of the relations between the parent company and subsidiaries in which the parent does not directly or indirectly hold over one-half of the voting rights;
- the reasons the parent company does not have any form of control although it directly or indirectly holds over one-half of the voting rights.