ACCA SBR step acquisition and disposal checklist

Use this checklist when an SBR Question 1 scenario includes a change in a group's shareholding. Work through the first question before anything else: is control gained, kept or lost?

Step acquisition (associate or investment becomes a subsidiary)

1. Identify the date control is gained.
2. Equity account the associate up to that date (time-apportion profits).
3. Remeasure the previously held stake to fair value at that date.
4. Take the remeasurement gain or loss to profit or loss.
5. Reclassify any of the associate's other comprehensive income as if the stake had been disposed of.
6. Goodwill = consideration for new shares + fair value of stake held + NCI less fair value of net assets.
7. Remove the investment in associate and any investment recorded at cost.
8. Consolidate the subsidiary line by line from the date of control, with NCI.

Sale of shares, control kept

1. Confirm the parent still controls the subsidiary.
2. Treat it as a transaction with owners (IFRS 10 paragraph 23).
3. Increase NCI by its new share of net assets (and goodwill under the full goodwill method).
4. Take the difference between the proceeds and the NCI increase to the parent's equity.
5. Check: no gain in profit or loss, no remeasurement, goodwill unchanged.

Sale of shares, control lost

1. Consolidate results up to the date of disposal.
2. Derecognise net assets, goodwill and NCI at carrying amounts (IFRS 10 paragraph B98).
3. Recognise proceeds and any retained stake at fair value.
4. Gain or loss = proceeds + fair value retained + NCI less net assets less goodwill.
5. Deal with other comprehensive income as if the assets were sold directly (paragraph B99).
6. Account for the retained stake under IAS 28 or IFRS 9 from that date.

Before you move on

Check	Done
Workings shown below the draft statements	
Negative numbers shown with a minus sign	
Each issue explained: rule, applied to the facts, impact	
Dates and percentages quoted from the scenario	

Check	Done
Explanation matches the spreadsheet figures	