



Accounting for mergers and acquisitions

Course objectives

This course is an update and refresher of all the important additional financial reporting issues when accounting for business combinations whether they be acquisitions, mergers or business reorganisations. The course is designed to make sure attendees appreciate all the key requirements and do not get lost in the detail. By the end of the course the attendees should feel able to deal with all of the significant additional considerations when preparing group financial statements. The course can also consider the additional audit considerations and issues if required.

Typical content

- The course can be delivered for preparing consolidated accounts under either IFRS or UKGAAP
- What is a group? – current definitions of parent, subsidiary, associate and joint venture and the key tests of control
- Consolidated accounts – reminder of the process for reporting profit and loss, the Statement of Financial Position including the treatment of inter-group transactions and non-controlling interests
- Foreign subsidiaries and branches and the treatment of FX gains and losses and the hedging options available
- How to prepare a consolidated cash flow statement
- First and last year issues – accounting for acquisitions and disposals and the gains and losses arising
- Valuation of net assets acquired including separable intangible assets and goodwill and the subsequent amortisation and impairment testing required
- Other issues such as more complex group structures, hive-ups and asset transfers (including intangible assets)
- The additional disclosures and presentation requirements
- Audit issues such as the treatment of components and significant components and the audit of the consolidation process

Typical practical work and case studies

- Basic consolidation technique – numerical example usually used as a warm-up
- The key tests of control and the more contentious, judgemental issues
- Comparison merger v acquisition accounting
- Example – initial valuation of goodwill on acquisition
- Example – accounting for an overseas subsidiary and the calculation and treatment of the foreign currency gains and losses
- Case study examples of good business combination disclosures

Duration and guideline fee

6 hour course – £1,700

Recommended maximum group size – 30