

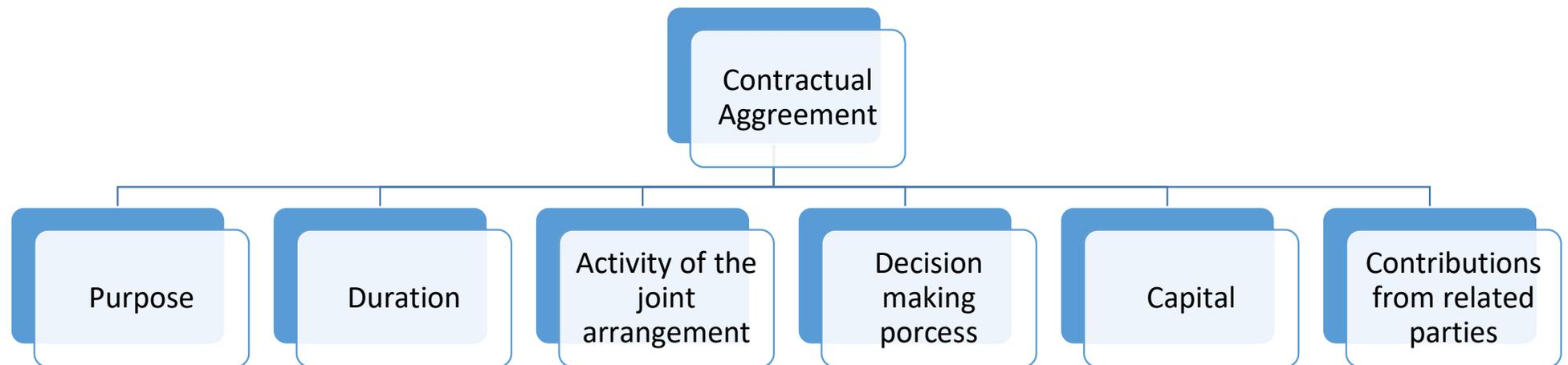


# **IFRS Standard 11 Joint Arrangements**

# **WHY FORM JOINT ARRANGEMENTS?**

# **STRUCTURE OF JOINT ARRANGEMENTS?**

# STRUCTURE OF JOINT ARRANGEMENTS?



# **KEY DEFINITIONS**

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Joint  
Arrangement

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## Joint Venturer

- A party to a joint venture that has joint control of that joint venture.

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## Joint Venturer

- A party to a joint venture that has joint control of that joint venture.

## Party to a joint arrangement

- An entity that participates in a joint arrangement, regardless of whether that entity has joint control of the joint arrangement.

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## Party to a joint arrangement

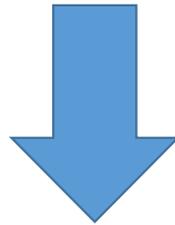
- A party to a joint venture that has joint control of that joint venture.

## Separate Vehicle

- A separately identifiable financial structure, including separate legal entities or entities recognized by statute, regardless of whether those entities have a legal personality.

# JOINT CONTROL

two or more parties unanimously consent.



assess whether the related parties control  
the arrangement

# JOINT CONTROL

Power over the  
investee

# JOINT CONTROL

Power over the  
investee

exposure or rights to  
variable returns from  
its involvement with  
an investee

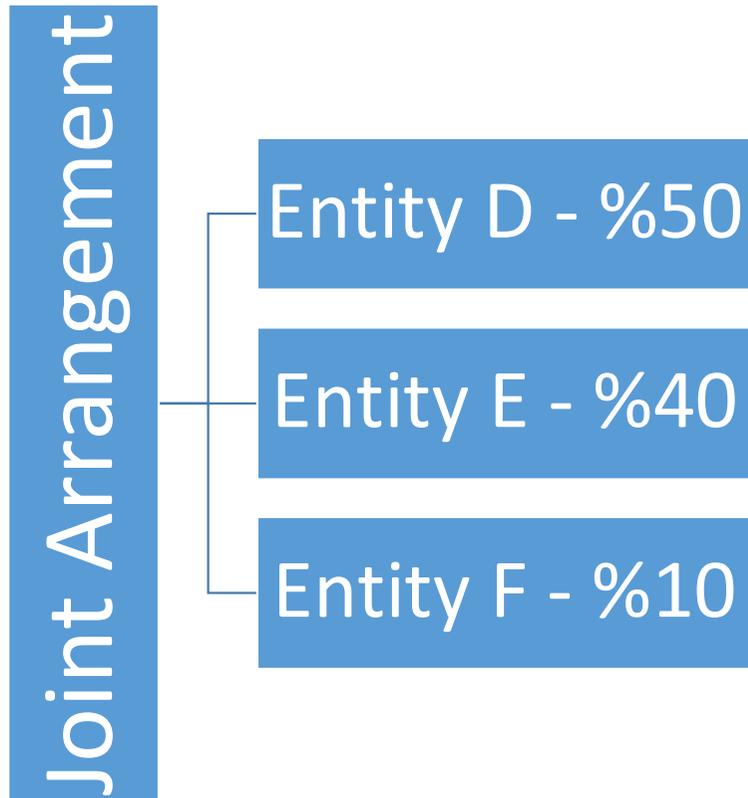
# JOINT CONTROL

Power over the investee

exposure or rights to variable returns from its involvement with an investee

ability to use its power over the investee to affect the amount of the investor's returns

**EXAMPLE**





# JOINT CONTROL

two or more parties unanimously consent.



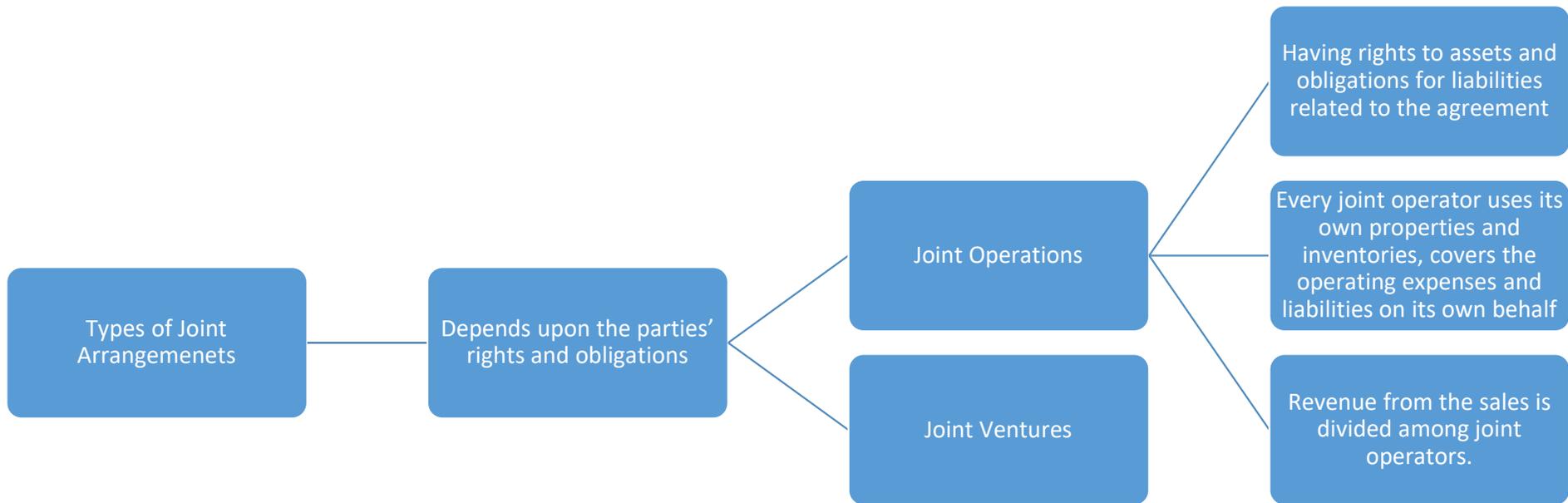
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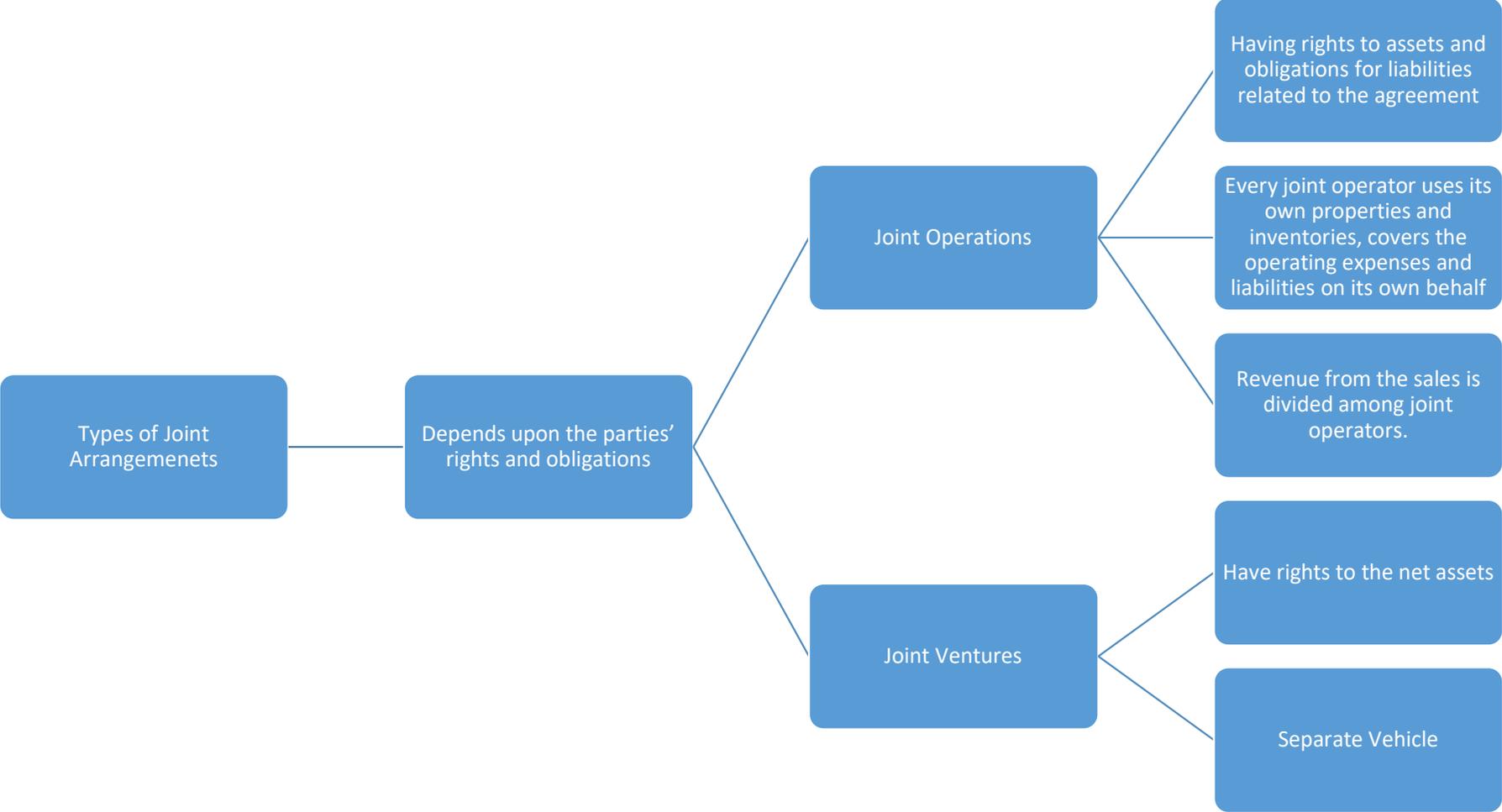
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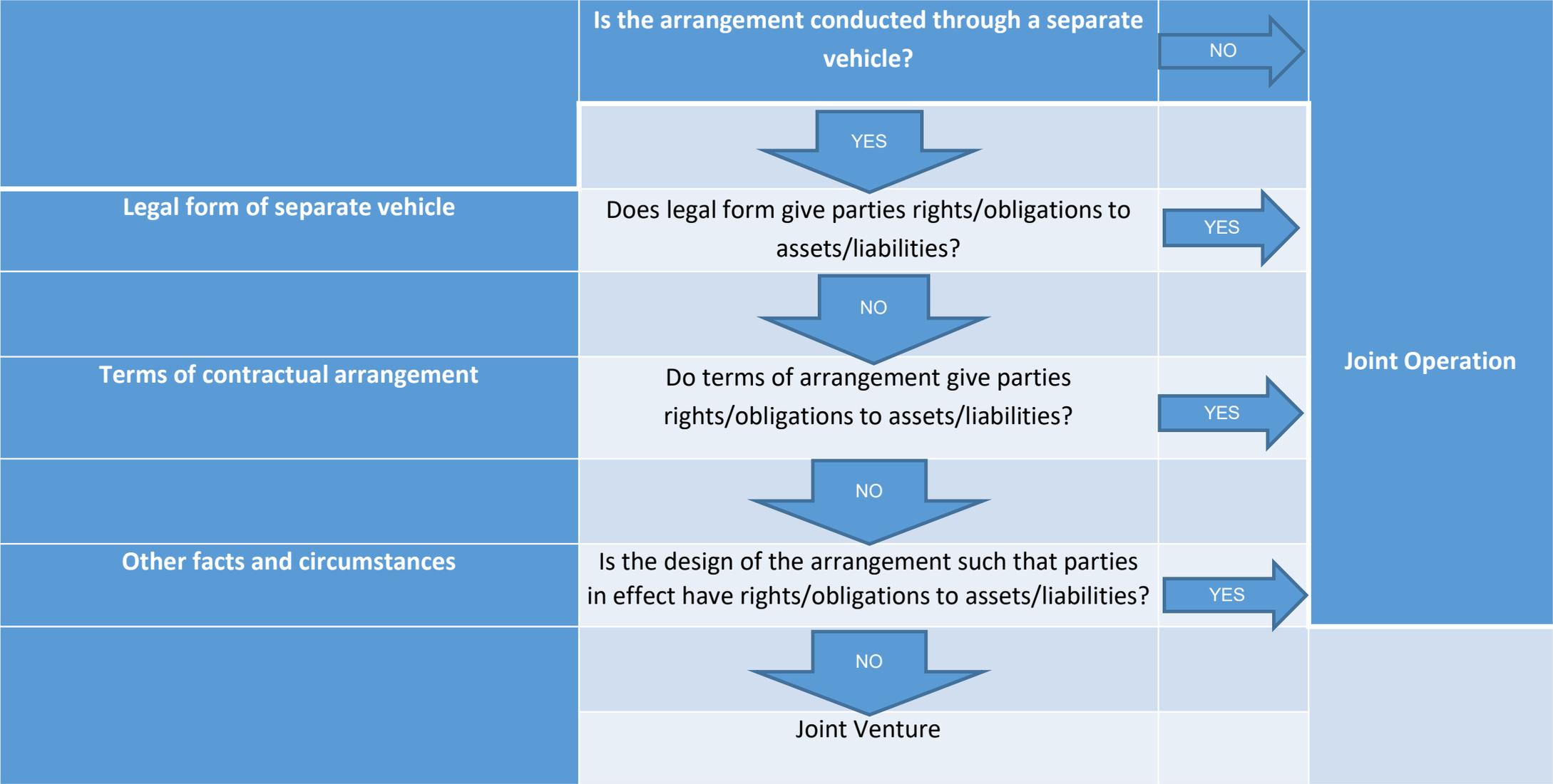
Entity D-  
%50

Entity E-  
%40



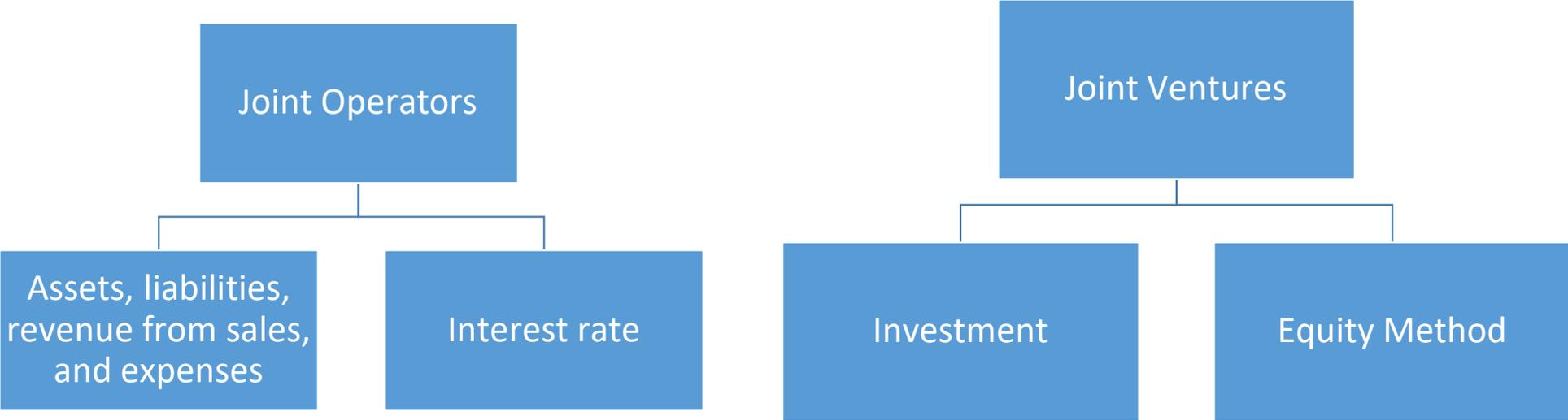




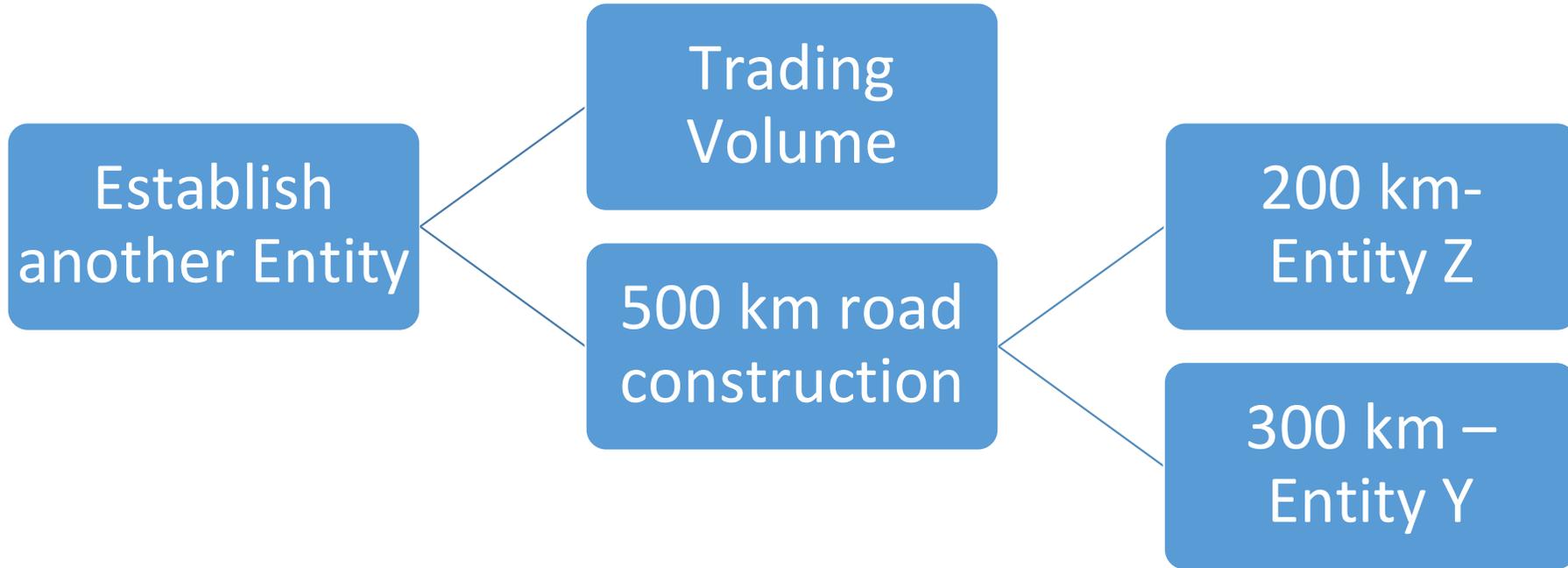


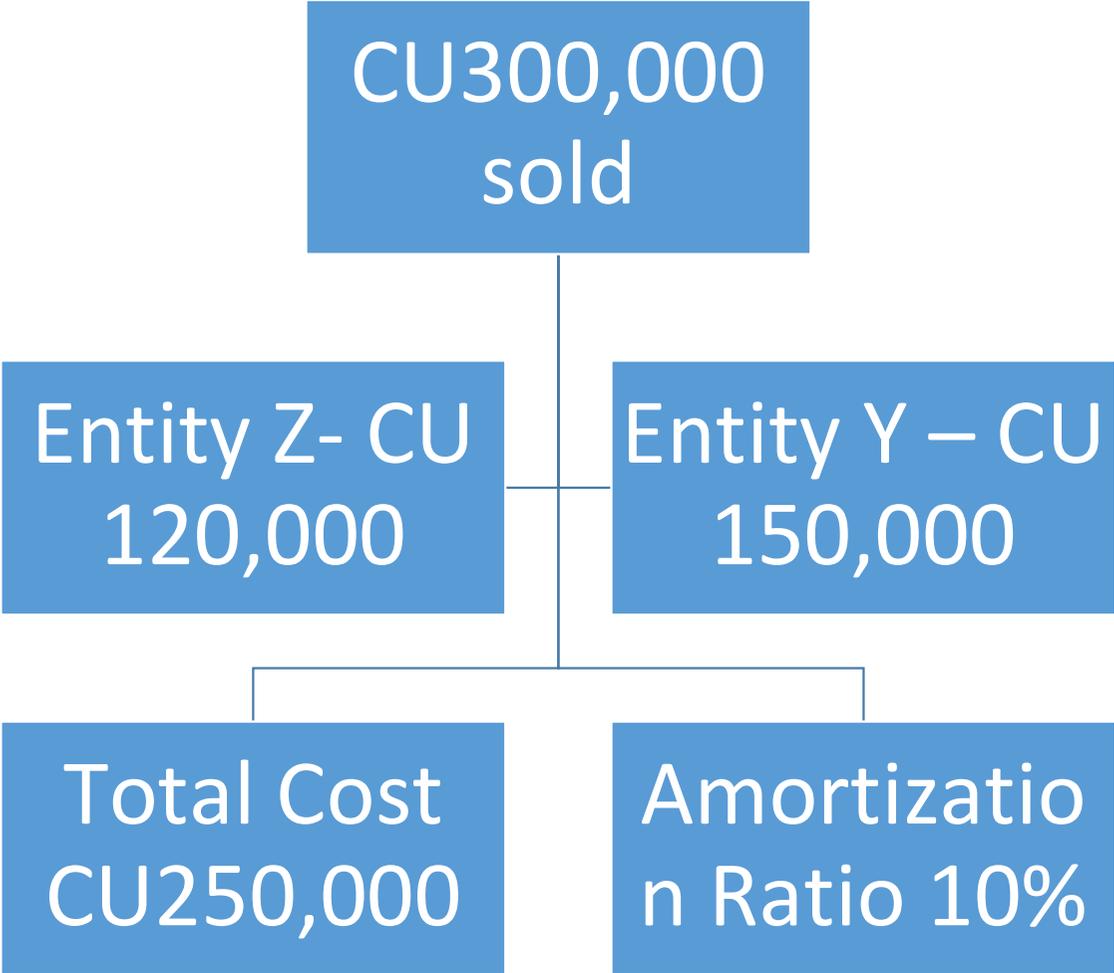
# **FINANCIAL STATEMENTS OF PARTIES**

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**EXAMPLE**







|                | Distribution Ratio | Income    | Cost      |
|----------------|--------------------|-----------|-----------|
| Entity Z       | 12/27              | CU133,333 | CU111,111 |
| Entity Y       | 15/27              | CU166,667 | CU138,889 |
| Asphalt Entity | 27/27              | CU300,000 | CU250,000 |



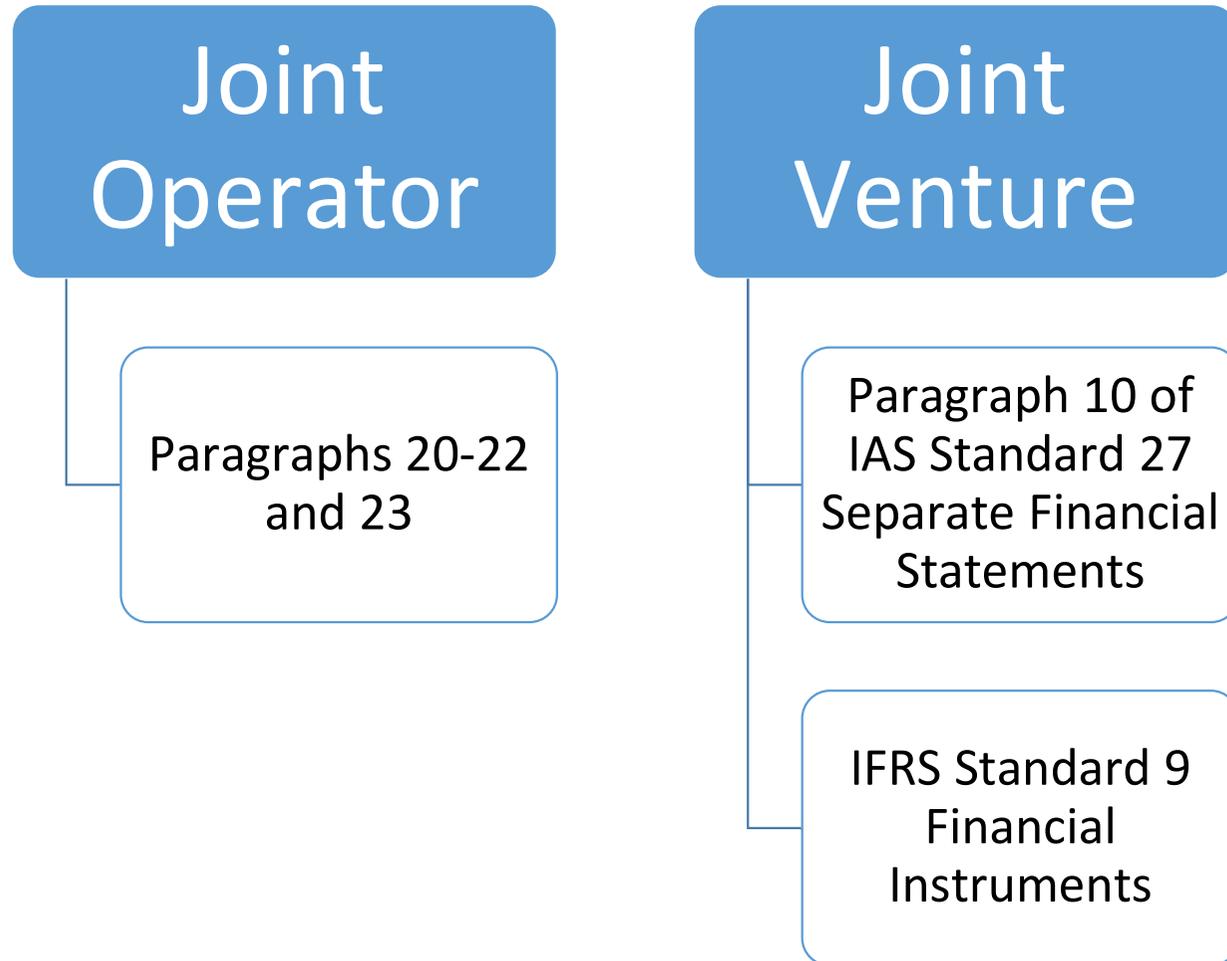
Total

Purchase=CU270,000

Entity Z =CU120,000

Entity Y=CU150,000

# SEPARATE FINANCIAL STATEMENTS



**DISCLOSURE**

# EXAMPLE



## C- Day Construction Corporation

### Recognition of Prefabricated Construction Site

|                                   |          |           |           |
|-----------------------------------|----------|-----------|-----------|
| Dr. Property, Plant and Equipment |          | CU200,000 |           |
|                                   | Cr. Cash |           | CU200,000 |

### Recognition of Construction Materials

|                        |          |           |           |
|------------------------|----------|-----------|-----------|
| Dr. Stock or Inventory |          | CU160,000 |           |
|                        | Cr. Cash |           | CU160,000 |

### Recognition of transferring inventory to service work-in-progress

|                              |               |           |           |
|------------------------------|---------------|-----------|-----------|
| Dr. Service work-in-progress |               | CU160,000 |           |
|                              | Cr. Inventory |           | CU160,000 |

### Recognition of Amortization

|                              |                              |          |          |
|------------------------------|------------------------------|----------|----------|
| Dr. Service work-in-progress |                              | CU20,000 |          |
|                              | Cr. Accumulated Depreciation |          | CU20,000 |

## Island Construction Corporation

### Recognition of Prefabricated Construction Site

|                                   |          |           |           |
|-----------------------------------|----------|-----------|-----------|
| Dr. Property, Plant and Equipment |          | CU200,000 |           |
|                                   | Cr. Cash |           | CU200,000 |

### Recognition of transferring inventory to service work-in-progress

|                              |                   |           |           |
|------------------------------|-------------------|-----------|-----------|
| Dr. Service work-in-progress |                   | CU120,000 |           |
|                              | Cr. Wages Payable |           | CU120,000 |

### Recognition of Amortization

|                              |                              |          |          |
|------------------------------|------------------------------|----------|----------|
| Dr. Service work-in-progress |                              | CU20,000 |          |
|                              | Cr. Accumulated Depreciation |          | CU20,000 |



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