

**ACCOUNTING STANDARD**

**AASB 131**  
July 2004

# **Interests in Joint Ventures**



**Australian Government**

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**Australian Accounting  
Standards Board**

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## CONTENTS

PREFACE

COMPARISON WITH INTERNATIONAL PRONOUNCEMENTS

### ACCOUNTING STANDARD

#### AASB 131 *INTERESTS IN JOINT VENTURES*

	<i>Paragraphs</i>
Application	Aus1.1 – Aus1.7
Scope	1 – 2
Definitions	3
Forms of Joint Venture	7
Joint Control	8
Contractual Arrangement	9 – 12
Jointly Controlled Operations	13 – 17
Jointly Controlled Assets	18 – 23
Jointly Controlled Entities	24 – 29
Financial Reports of a Venturer	
Equity Method	38 – 41
Exceptions to Equity Method	42 – 45
Separate Financial Statements of a Venturer	46 – 47
Transactions Between a Venturer and a Joint Venture	48 – 50
Reporting Interests in Joint Ventures in the Financial Reports of an Investor	51
Operators of Joint Ventures	52 – 53
Disclosure	
Interests in Joint Ventures	54 – 55
Interests in Jointly Controlled Operations and Assets	Aus57.1
Interests in Jointly Controlled Entities	Aus57.2 – Aus57.5
DIFFERENCES BETWEEN AASB 131 AND AASB 1006	<i>Page 28</i>

IMPLEMENTATION GUIDANCE  
(see AASB 127 *Consolidated and Separate Financial Statements*)

BASIS FOR CONCLUSIONS ON IAS 31  
(available to AASB online subscribers or through the IASB)

Australian Accounting Standard AASB 131 *Interests in Joint Ventures* is set out in paragraphs Aus1.1 – Aus57.5. All the paragraphs have equal authority. Terms defined in this Standard are in *italics* the first time they appear in the Standard. AASB 131 is to be read in the context of other Australian Accounting Standards, including AASB 1048 *Interpretation and Application of Standards*, which identifies the UIG Interpretations. In the absence of explicit guidance, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies.

## **PREFACE**

### **Reasons for Issuing AASB 131**

The Australian Accounting Standards Board (AASB) is implementing the Financial Reporting Council's policy of adopting the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005. The AASB has decided it will continue to issue sector-neutral Standards, that is, Standards applicable to both for-profit and not-for-profit entities, including public sector entities. Except for Standards that are specific to the not-for-profit or public sectors or that are of a purely domestic nature, the AASB is using the IASB Standards as the "foundation" Standards to which it adds material detailing the scope and applicability of a Standard in the Australian environment. Additions are made, where necessary, to broaden the content to cover sectors not addressed by an IASB Standard and domestic, regulatory or other issues.

The IASB defines International Financial Reporting Standards (IFRSs) as comprising:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards; and
- (c) Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

The Australian equivalents to IFRSs are:

- (a) Accounting Standards issued by the AASB that are equivalent to Standards issued by the IASB, being AASBs 1 – 99 corresponding to the IFRS series and AASBs 101 – 199 corresponding to the IAS series; and
- (b) UIG Interpretations issued by the AASB corresponding to the Interpretations adopted by the IASB, as listed in AASB 1048 *Interpretation and Application of Standards*.

## **Main Features of this Standard**

### **Application Date**

This Standard is applicable to annual reporting periods beginning on or after 1 January 2005. To promote comparability among the financial reports of Australian entities, early adoption of this Standard is not permitted.

### **First-time Application and Comparatives**

Application of this Standard will begin in the first annual reporting period beginning on or after 1 January 2005 in the context of adopting all Australian equivalents to IFRSs. The requirements of AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, the Australian equivalent of IFRS 1 *First-time Adoption of International Financial Reporting Standards*, must be observed. AASB 1 requires prior period information, presented as comparative information, to be restated as if the requirements of this Standard had always applied. This differs from previous Australian requirements where changes in accounting policies did not require the restatement of the income statement and balance sheet of the preceding period.

However, AASB 1 provides an exemption for past acquisitions of interests in jointly controlled entities. That is, a venturer may elect not to apply AASB 131 *Interests in Joint Ventures* retrospectively to past acquisitions of interests in jointly controlled entities. However, if a venturer restates any past acquisition to comply with AASB 131, it restates all later acquisitions of interests in jointly controlled entities. For example, if a venturer elects to restate a past acquisition that occurred on 30 June 2002, it restates all acquisitions of interests in jointly controlled entities that occurred between 30 June 2002 and the date of transition to Australian equivalents to IFRSs.

If an entity does not apply AASB 131 retrospectively to a past acquisition of an interest in a jointly controlled entity, such an election gives rise to a number of transitional provisions for that acquisition.

By virtue of the exemption within AASB 1, a venturer may undertake one of the following courses of action:

- (a) apply AASB 131 retrospectively to all past acquisitions of interests in jointly controlled entities;
- (b) utilise the exemption under AASB 1 for all past acquisitions of interests in jointly controlled entities; or

- (c) apply AASB 131 retrospectively to some past acquisitions of interests in jointly controlled entities and utilise the exemption under AASB 1 for other past acquisitions of interests in jointly controlled entities.

Each of these is considered below.

**(a) Apply AASB 131 retrospectively to all past acquisitions of interests in jointly controlled entities**

A retrospective application of AASB 131 would require a venturer to determine the carrying amount of its interest in a jointly controlled entity as at the date of transition to Australian equivalents to IFRSs as if Australian equivalents to IFRSs had always applied (that is, from the date of acquiring the interest in the jointly controlled entity<sup>1</sup> to the date of transition to Australian equivalents to IFRSs).

The application of the equity method to interests in jointly controlled entities under AASB 128 *Investments in Associates* is broadly consistent with AASB 1016 *Accounting for Investments in Associates*.

In order to calculate the equity-accounted carrying amount of its interest in a jointly controlled entity (under both AASB 128 and AASB 1016), a venturer prepares a 'notional' balance sheet at the date of acquiring the interest in the jointly controlled entity so as to record the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity at their fair values as at that date. This enables the venturer to determine any 'notional goodwill' (AASB 128 refers to this as "the difference between the cost of the investment and the investor's share of the fair values of the net identifiable assets"). When calculating the venturer's share of 'post-acquisition' profits or losses of the jointly controlled entity, adjustments should be made to reflect depreciation of the jointly controlled entity's depreciable assets based on their fair values at the date on which the interest in the jointly controlled entity was acquired.

However, in applying AASB 1016, the post-acquisition profits or losses of the jointly controlled entity, as well as other changes in the jointly controlled entity's equity subsequent to acquisition, have necessarily been determined in accordance with previous Australian requirements. A retrospective application of AASB 131 would require the post-acquisition profits or losses of the jointly controlled entity,<sup>2</sup> as well as other changes in the jointly controlled entity's equity subsequent to acquisition, to be determined in accordance with Australian equivalents to IFRSs. The determination of post-acquisition profits or losses of the jointly controlled entity (as well as other

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<sup>1</sup> Alternatively, the date of obtaining joint control.

<sup>2</sup> That is, profits or losses of the jointly controlled entity subsequent to the date of acquiring the interest in the jointly controlled entity (or, the date of obtaining joint control).

equity changes) under Australian equivalents to IFRSs will potentially differ from those determined under previous Australian requirements (and therefore potentially give rise to a different equity-accounted balance).

In order to determine the equity-accounted balance in accordance with Australian equivalents to IFRSs, an entity could use the following approach:

- (i) prepare an Australian-equivalents-to-IFRSs 'notional' balance sheet for the jointly controlled entity as at the date of acquiring the interest in the jointly controlled entity<sup>3</sup> (that is, a 'notional' balance sheet determined in accordance with Australian equivalents to IFRSs that exist at the date of transition to Australian equivalents to IFRSs)<sup>4</sup>;
- (ii) prepare an Australian-equivalents-to-IFRSs 'notional' balance sheet for the jointly controlled entity as at the date of transition to Australian equivalents to IFRSs;
- (iii) calculate the venturer's share of the post-acquisition change in the Australian-equivalents-to-IFRSs 'notional' retained earnings/reserves of the jointly controlled entity;
- (iv) add/subtract post-acquisition changes in the Australian-equivalents-to-IFRSs 'notional' retained earnings/reserves of the jointly controlled entity to the initial cost of the interest in the jointly controlled entity; and
- (v) adjust the carrying amount of the interest in jointly controlled entity in the opening Australian-equivalents-to-IFRSs balance sheet of the venturer as appropriate.

Retrospectively applying AASB 131 means that any 'notional goodwill' amortisation reflected in the carrying amount of the investment under previous Australian requirements is effectively reversed.

**(b) Utilise the exemption under AASB 1 for all past acquisitions of interests in jointly controlled entities**

As discussed in section (a) above, in order to calculate the carrying amount of its interest in a jointly controlled entity, a venturer prepares a 'notional' balance sheet so as to record the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity at their fair values as at the date of acquisition (as well as any 'notional goodwill').

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<sup>3</sup> Alternatively, the date of obtaining joint control.

<sup>4</sup> This may require the venturer to recreate data that it did not capture at the date of acquiring its interests in a jointly controlled entity (or the date that it obtained joint control) and to make subjective estimates about conditions that existed at that date.

In applying the exemption within AASB 1, the venturer applies the transitional requirements within Appendix B of AASB 1 to the 'notional' balance sheet as at the date of transition to Australian equivalents to IFRSs.

In order to determine the equity-accounted balance using the exemption in AASB 1, an entity could perform the following:

- (i) prepare an Australian-equivalents-to-IFRSs 'notional' balance sheet for the jointly controlled entity as at the date of transition to Australian equivalents to IFRSs;
- (ii) calculate the venturer's share of the change in the retained earnings/reserves of the jointly controlled entity from the 'notional' balance sheet under previous Australian requirements at the date of transition to the Australian-equivalents-to-IFRSs 'notional' balance sheet at the date of transition; and
- (iii) adjust the carrying amount of the interest in the jointly controlled entity in the opening Australian-equivalents-to-IFRSs balance sheet of the venturer as appropriate (for example, the venturer's share of the change in retained earnings should be recognised in the venturer's opening retained earnings, and its share of the change in reserves should be recognised in the venturer's reserves).

Note, unlike a retrospective application of AASB 131 (and therefore AASB 128), any 'notional goodwill' amortisation reflected in the carrying amount of the investment under previous Australian requirements is not reversed.

- (c) **Apply AASB 131 retrospectively to some past acquisitions of interests in jointly controlled entities and utilise the exemption under AASB 1 for other past acquisitions of interests in jointly controlled entities**

An entity may elect to apply AASB 131 retrospectively to a particular acquisition of an interest in a jointly controlled entity. Where such an election is made, the entity is required to restate all later acquisitions of interests in jointly controlled entities.

## **Main Requirements**

The Standard:

- (a) defines a joint venture and identifies three broad types of joint ventures (jointly controlled operations, jointly controlled assets and jointly controlled entities);
- (b) requires a venturer in a jointly controlled operation to recognise the assets and liabilities that it controls, the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the venture;
- (c) requires a venturer that jointly controls assets to recognise its share of jointly controlled assets;
- (d) requires a venturer in a jointly controlled entity to apply the equity method in recognising its interests; and
- (e) requires a venturer to make specific disclosures about its interests in joint ventures.

## **Differences between this Standard and AASB 1006**

The primary differences between this Standard and the AASB Standard that it supersedes, AASB 1006 *Interests in Joint Ventures*, relate to:

- (a) the scope of the two Standards including the application of the equity method;
- (b) the accounting treatment of an interest in a jointly controlled entity in the separate financial statements of a venturer; and
- (c) the nature and extent of information to be disclosed regarding jointly controlled entities.

A more detailed description of the differences between this Standard and AASB 1006 accompanies this Standard under the heading “Differences between AASB 131 and AASB 1006”.

The requirements of the superseded AASB 1006 are essentially the same as AAS 19 *Interests in Joint Ventures*. Accordingly, there is no separate analysis of the differences between AASB 131 and AAS 19.

## COMPARISON WITH INTERNATIONAL PRONOUNCEMENTS

### AASB 131 and IAS 31

AASB 131 is equivalent to IAS 31 *Interests in Joint Ventures* issued by the IASB. Paragraphs that have been added to this Standard (and do not appear in the text of the equivalent IASB Standard) are identified with the prefix “Aus”, followed by the number of the relevant IASB paragraph and decimal numbering.

### Compliance with IAS 31

Entities that comply with AASB 131 will simultaneously be in compliance with IAS 31.

### AASB 131 and IPSAS 8

International Public Sector Accounting Standards (IPSASs) are issued by the Public Sector Committee of the International Federation of Accountants.

IPSAS 8 *Financial Reporting of Interests in Joint Ventures* (May 2000) is drawn primarily from IAS 31. The main differences between IPSAS 8 and AASB 131 are as follows:

- (a) IPSAS 8 applies to all interests in joint ventures. AASB 131 contains some scope exclusions in relation to interests held in jointly controlled entities by venture capitalists, mutual funds, unit trusts and similar entities under certain conditions;
- (b) IPSAS 8 uses a different definition of joint venture from AASB 131. The term “contractual arrangement” has been replaced by “binding arrangement”;
- (c) IPSAS 8 requires as a benchmark treatment, a venturer to measure its interest in a jointly controlled entity in its consolidated financial report using proportionate consolidation and permits as an allowed alternative treatment, a venturer to measure its interest in a jointly controlled entity in its consolidated financial report by applying the equity method (paragraphs 36 and 43). AASB 131 requires the application of the equity method in such cases;
- (d) IPSAS 8 requires a jointly controlled entity to be accounted for as an investment when it operates under long-term restrictions that significantly impair its ability to transfer funds or provide other non-

financial benefits to the venturer. In contrast, AASB 131 does not permit a venturer that continues to have joint control of an interest in a joint venture not to apply equity method in a similar situation;

- (e) IPSAS 8 requires an interest in a jointly controlled entity that is acquired and held exclusively with a view to its subsequent disposal in the near future to be accounted for as an investment. AASB 131 requires interests in jointly controlled entities to be accounted for in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when they are classified as held for sale in accordance with that Standard. Under AASB 5, such investments will be measured at the lower of carrying amount and fair value less costs to sell; and
- (f) IPSAS 8 disclosure requirements in respect of interests in jointly controlled entities are less extensive than AASB 131.

## ACCOUNTING STANDARD AASB 131

The Australian Accounting Standards Board makes Accounting Standard AASB 131 *Interests in Joint Ventures* under section 334 of the *Corporations Act 2001*.

Dated 15 July 2004

D.G. Boymal  
Chair – AASB

## ACCOUNTING STANDARD AASB 131

### *INTERESTS IN JOINT VENTURES*

#### **Application**

- Aus1.1** This Standard applies to:
- (a) each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;
  - (b) general purpose financial reports of each other reporting entity; and
  - (c) financial reports that are, or are held out to be, general purpose financial reports.
- Aus1.2** This Standard applies to annual reporting periods beginning on or after 1 January 2005.
- Aus1.3** This Standard shall not be applied to annual reporting periods beginning before 1 January 2005.
- Aus1.4** The requirements specified in this Standard apply to the financial report where information resulting from their application is material in accordance with AASB 1031 *Materiality*.
- Aus1.5** When applicable, this Standard supersedes:
- (a) AASB 1006 *Interests in Joint Ventures* as notified in the *Commonwealth of Australia Gazette* No S 575, 7 December 1998; and

- (b) **AAS 19 *Interests in Joint Ventures* as issued in December 1998.**

- Aus1.6 Both AASB 1006 and AAS 19 remain applicable until superseded by this Standard.
- Aus1.7 Notice of this Standard was published in the *Commonwealth of Australia Gazette* No S 294, 22 July 2004.

## Scope

1. **This Standard shall be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial reports of *venturers* and investors, regardless of the structures or forms under which the joint venture activities take place. However, it does not apply to venturers' interests in jointly controlled entities held by:**

- (a) **venture capital organisations; or**
- (b) **mutual funds, unit trusts and similar entities including investment-linked insurance funds**

**that upon initial recognition are designated as at fair value through profit or loss or are classified as held for trading and accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. Such investments shall be measured at fair value in accordance with AASB 139, with changes in fair value recognised in profit or loss in the period of the change.**

2. **A venturer with an interest in a jointly controlled entity is exempted from paragraph 38 (*equity method*) when it meets the following conditions.**
  - (a) **the interest is classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;**
  - (b) **[Deleted by the AASB]**
  - (c) **all of the following apply:**
    - (i) **the venturer is a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its owners, including those not otherwise entitled to vote,**

have been informed about, and do not object to, the venturer not applying the equity method;

- (ii) the venturer's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
- (iii) the venturer did not file, nor is it in the process of filing, its financial report with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market; and
- (iv) the ultimate Australian or any intermediate parent of the venturer produces consolidated financial statements available for public use that comply with Australian equivalents to IFRSs.

## Definitions

3. The following terms are used in this Standard with the meanings specified.

*Control* is the power to govern the financial and operating policies of an economic activity so as to obtain benefits from it.

The *equity method* is a method of accounting whereby an interest in a jointly controlled entity is initially recorded at cost and adjusted thereafter for the post-acquisition change in the venturer's share of net assets of the jointly controlled entity. The profit or loss of the venturer includes the venturer's share of the profit or loss of the jointly controlled entity.

An *investor in a joint venture* is a party to a joint venture and does not have joint control over that joint venture.

*Joint control* is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

**A *joint venture* is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.**

***Separate financial statements* are those presented by a parent, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.**

***Significant influence* is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies.**

**A *venturer* is a party to a joint venture and has joint control over that joint venture.**

4. [Deleted by the AASB]
5. [Deleted by the AASB]
6. [Deleted by the AASB]

### **Forms of Joint Venture**

7. *Joint ventures* take many different forms and structures. This Standard identifies three broad types—jointly controlled operations, jointly controlled assets and jointly controlled entities—that are commonly described as, and meet the definition of, joint ventures. The following characteristics are common to all joint ventures:
  - (a) two or more venturers are bound by a contractual arrangement; and
  - (b) the contractual arrangement establishes *joint control*.

### **Joint Control**

8. Joint control may be precluded when an investee is in legal reorganisation or in bankruptcy, or operates under severe long-term restrictions on its ability to transfer funds to the venturer. If joint control is continuing, these events are not enough in themselves to justify not accounting for joint ventures in accordance with this Standard.

## Contractual Arrangement

9. The existence of a contractual arrangement distinguishes interests that involve joint control from investments in associates in which the investor has *significant influence* (see AASB 128 *Investments in Associates*). Activities that have no contractual arrangement to establish joint control are not joint ventures for the purposes of this Standard.
10. The contractual arrangement may be evidenced in a number of ways, for example by a contract between the venturers or minutes of discussions between the venturers. In some cases, the arrangement is incorporated in the articles or other by-laws of the joint venture. Whatever its form, the contractual arrangement is usually in writing and deals with such matters as:
  - (a) the activity, duration and reporting obligations of the joint venture;
  - (b) the appointment of the board of directors or equivalent governing body of the joint venture and the voting rights of the venturers;
  - (c) capital contributions by the venturers; and
  - (d) the sharing by the venturers of the output, income, expenses or results of the joint venture.
11. The contractual arrangement establishes joint control over the joint venture. Such a requirement ensures that no single venturer is in a position to *control* the activity unilaterally.
12. The contractual arrangement may identify one venturer as the operator or manager of the joint venture. The operator does not control the joint venture but acts within the financial and operating policies that have been agreed by the venturers in accordance with the contractual arrangement and delegated to the operator. If the operator has the power to govern the financial and operating policies of the economic activity, it controls the venture and the venture is a subsidiary of the operator and not a joint venture.

## Jointly Controlled Operations

13. The operation of some joint ventures involves the use of the assets and other resources of the venturers rather than the establishment of a corporation, partnership or other entity, or a financial structure that is

separate from the venturers themselves. Each venturer uses its own property, plant and equipment and carries its own inventories. It also incurs its own expenses and liabilities and raises its own finance, which represent its own obligations. The joint venture activities may be carried out by the venturer's employees alongside the venturer's similar activities. The joint venture agreement usually provides a means by which the revenue from the sale of the joint product and any expenses incurred in common are shared among the venturers.

14. An example of a jointly controlled operation is when two or more venturers combine their operations, resources and expertise to manufacture, market and distribute jointly a particular product, such as an aircraft. Different parts of the manufacturing process are carried out by each of the venturers. Each venturer bears its own costs and takes a share of the revenue from the sale of the aircraft, such share being determined in accordance with the contractual arrangement.
15. **In respect of its interests in jointly controlled operations, a venturer shall recognise in its financial statements:**
  - (a) **the assets that it controls and the liabilities that it incurs; and**
  - (b) **the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.**
16. Because the assets, liabilities, income and expenses are recognised in the financial statements of the venturer, no adjustments or other consolidation procedures are required in respect of these items when the venturer presents consolidated financial statements.
17. Separate accounting records may not be required for the joint venture itself and financial statements may not be prepared for the joint venture. However, the venturers may prepare management accounts so that they may assess the performance of the joint venture.

## **Jointly Controlled Assets**

18. Some joint ventures involve the joint control, and often the joint ownership, by the venturers of one or more assets contributed to, or acquired for the purpose of, the joint venture and dedicated to the purposes of the joint venture. The assets are used to obtain benefits for the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred.
19. These joint ventures do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from

the venturers themselves. Each venturer has control over its share of future economic benefits through its share of the jointly controlled asset.

20. Many activities in the oil, gas and mineral extraction industries involve jointly controlled assets. For example, a number of oil production companies may jointly control and operate an oil pipeline. Each venturer uses the pipeline to transport its own product in return for which it bears an agreed proportion of the expenses of operating the pipeline. Another example of a jointly controlled asset is when two entities jointly control a property, each taking a share of the rents received and bearing a share of the expenses.
21. **In respect of its interest in jointly controlled assets, a venturer shall recognise in its financial statements:**
  - (a) **its share of the jointly controlled assets, classified according to the nature of the assets;**
  - (b) **any liabilities that it has incurred;**
  - (c) **its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;**
  - (d) **any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and**
  - (e) **any expenses that it has incurred in respect of its interest in the joint venture.**
22. In respect of its interest in jointly controlled assets, each venturer includes in its accounting records and recognises in its financial statements:
  - (a) its share of the jointly controlled assets, classified according to the nature of the assets rather than as an investment. For example, a share of a jointly controlled oil pipeline is classified as property, plant and equipment.
  - (b) any liabilities that it has incurred, for example those incurred in financing its share of the assets.
  - (c) its share of any liabilities incurred jointly with other venturers in relation to the joint venture.

- (d) any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture.
- (e) any expenses that it has incurred in respect of its interest in the joint venture, for example those related to financing the venturer's interest in the assets and selling its share of the output.

Because the assets, liabilities, income and expenses are recognised in the financial statements of the venturer, no adjustments or other consolidation procedures are required in respect of these items when the venturer presents consolidated financial statements.

23. The treatment of jointly controlled assets reflects the substance and economic reality and, usually, the legal form of the joint venture. Separate accounting records for the joint venture itself may be limited to those expenses incurred in common by the venturers and ultimately borne by the venturers according to their agreed shares. Financial statements may not be prepared for the joint venture, although the venturers may prepare management accounts so that they may assess the performance of the joint venture.

## **Jointly Controlled Entities**

24. A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity.
25. A jointly controlled entity controls the assets of the joint venture, incurs liabilities and expenses and earns income. It may enter into contracts in its own name and raise finance for the purposes of the joint venture activity. Each venturer is entitled to a share of the profits of the jointly controlled entity, although some jointly controlled entities also involve a sharing of the output of the joint venture.
26. A common example of a jointly controlled entity is when two entities combine their activities in a particular line of business by transferring the relevant assets and liabilities into a jointly controlled entity. Another example is when an entity commences a business in a foreign country in conjunction with the government or other agency in that country, by establishing a separate entity that is jointly controlled by the entity and the government or agency.

27. Many jointly controlled entities are similar in substance to those joint ventures referred to as jointly controlled operations or jointly controlled assets. For example, the venturers may transfer a jointly controlled asset, such as an oil pipeline, into a jointly controlled entity, for tax or other reasons. Similarly, the venturers may contribute into a jointly controlled entity assets that will be operated jointly. Some jointly controlled operations also involve the establishment of a jointly controlled entity to deal with particular aspects of the activity, for example, the design, marketing, distribution or after-sales service of the product.
28. A jointly controlled entity maintains its own accounting records and prepares and presents financial statements in the same way as other entities in conformity with Australian equivalents to IFRSs.
29. Each venturer usually contributes cash or other resources to the jointly controlled entity. These contributions are included in the accounting records of the venturer and recognised in its financial statements as an investment in the jointly controlled entity.

### **Financial Reports of a Venturer**

30. [Deleted by the AASB]
31. [Deleted by the AASB]
32. [Deleted by the AASB]
33. [Deleted by the AASB]
34. [Deleted by the AASB]
35. [Deleted by the AASB]
36. [Deleted by the AASB]
37. [Deleted by the AASB]

### **Equity Method**

- 38. A venturer shall recognise its interest in a jointly controlled entity using the equity method.**

Aus38.1 A venturer recognises its interest in a jointly controlled entity using the equity method as described in AASB 128.

39. [Deleted by the AASB]

40. [Deleted by the AASB]
41. **A venturer shall discontinue the use of the equity method from the date on which it ceases to have joint control over, or have significant influence in, a jointly controlled entity.**

#### **Exceptions to Equity Method**

42. **Interests in jointly controlled entities that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* shall be accounted for in accordance with that Standard.**
43. When an interest in a jointly controlled entity previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method as from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale shall be amended accordingly.

**Aus43.1 Entities that are exempted in accordance with paragraph 2(c) of this Standard from applying the equity method shall account for their interests in jointly controlled entities either:**

- (a) **at cost, or**
- (b) **in accordance with AASB 139.**

44. [Deleted by the IASB]
45. **From the date on which a jointly controlled entity becomes a subsidiary of a venturer, the venturer shall account for its interest in accordance with AASB 127 *Consolidated and Separate Financial Statements*. From the date on which a jointly controlled entity becomes an associate of a venturer, the venturer shall account for its interest in accordance with AASB 128 *Investments in Associates*.**

#### **Separate Financial Statements of a Venturer**

46. **An interest in a jointly controlled entity shall be accounted for in a venturer's separate financial statements in accordance with paragraphs 37-39 and 42 of AASB 127.**
47. This Standard does not mandate which entities produce *separate financial statements* available for public use.

## Transactions between a Venturer and a Joint Venture

48. When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction. While the assets are retained by the joint venture, and provided the venturer has transferred the significant risks and rewards of ownership, the venturer shall recognise only that portion of the gain or loss that is attributable to the interests of the other venturers.<sup>1</sup> The venturer shall recognise the full amount of any loss when the contribution or sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.
49. When a venturer purchases assets from a joint venture, the venturer shall not recognise its share of the profits of the joint venture from the transaction until it resells the assets to an independent party. A venturer shall recognise its share of the losses resulting from these transactions in the same way as profits except that losses shall be recognised immediately when they represent a reduction in the net realisable value of current assets or an impairment loss.
50. To assess whether a transaction between a venturer and a joint venture provides evidence of impairment of an asset, the venturer determines the recoverable amount of the asset in accordance with AASB 136 *Impairment of Assets*. In determining value in use, the venturer estimates future cash flows from the asset on the basis of continuing use of the asset and its ultimate disposal by the joint venture.

## Reporting Interests in Joint Ventures in the Financial Reports of an Investor

51. An investor in a joint venture that does not have joint control shall account for that investment in accordance with AASB 139 or, if it has significant influence in the joint venture, in accordance with AASB 128.

## Operators of Joint Ventures

52. Operators or managers of a joint venture shall account for any fees in accordance with AASB 118 *Revenue*.

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<sup>1</sup> See also UIG Interpretation 113 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers*, as identified in AASB 1048 *Interpretation and Application of Standards*.

53. One or more venturers may act as the operator or manager of a joint venture. Operators are usually paid a management fee for such duties. The fees are accounted for by the joint venture as an expense.

## **Disclosure**

### **Interests in Joint Ventures**

54. A venturer shall disclose the aggregate amount of the following contingent liabilities, unless the probability of loss is remote, separately from the amount of other contingent liabilities:
- (a) any contingent liabilities that the venturer has incurred in relation to its interests in joint ventures and its share in each of the contingent liabilities that have been incurred jointly with other venturers;
  - (b) its share of the contingent liabilities of the joint ventures themselves for which it is contingently liable; and
  - (c) those contingent liabilities that arise because the venturer is contingently liable for the liabilities of the other venturers of a joint venture.
55. A venturer shall disclose the aggregate amount of the following commitments in respect of its interests in joint ventures separately from other commitments:
- (a) any capital commitments of the venturer in relation to its interests in joint ventures and its share in the capital commitments that have been incurred jointly with other venturers; and
  - (b) its share of the capital commitments of the joint ventures themselves.
56. [Deleted by the AASB]
57. [Deleted by the AASB]

### **Interests in Jointly Controlled Operations and Assets**

- Aus57.1** In respect of jointly controlled operations and assets, the venturer shall disclose the following information:

- (a) the name and principal activities of each significant jointly controlled operation or asset;
- (b) its percentage interest in the output of each significant jointly controlled operation or asset during the annual reporting period; and
- (c) for each category of assets, the aggregate amount employed in jointly controlled operations or assets.

### **Interests in Jointly Controlled Entities**

**Aus57.2** In respect of interests in jointly controlled entities, the venturer shall disclose the following information:

- (a) the fair value of interests in jointly controlled entities for which there are published price quotations;
- (b) where the equity method is applied to interests in jointly controlled entities, summarised financial information of jointly controlled entities, including the aggregate amounts of each of the current assets, long-term assets, current liabilities, long-term liabilities, income and expenses;
- (c) the reporting date of the financial statements of a jointly controlled entity, when such financial statements are used in applying the equity method and are as of a reporting date or for a period that is different from that of the venturer, and the reason for using a different reporting date or different period;
- (d) the nature and extent of any significant restrictions (for example, resulting from borrowing arrangements or regulatory requirements) on the ability of jointly controlled entities to transfer funds to the venturer in the form of cash dividends, or repayment of loans or advances;
- (e) the unrecognised share of losses of a jointly controlled entity, both for the period and cumulatively, if a venturer has discontinued recognition of its share of losses of a jointly controlled entity;
- (f) the fact that a jointly controlled entity is not accounted for using the equity method in accordance with paragraph 2; and

- (g) summarised financial information of jointly controlled entities, either individually or in groups, that are not accounted for using the equity method, including the amounts of total assets, total liabilities, revenues and profit or loss.

**Aus57.3** The following disclosure shall be made by the venturer:

- (a) in respect of each significant jointly controlled entity:
  - (i) its name, principal activities and the country of incorporation or residence;
  - (ii) the venturer's ownership interest as at the jointly controlled entity's reporting date and, if different, at the venturer's reporting date;
  - (iii) the proportion of voting power held in the jointly controlled entity where different from the proportion of ownership interest held; and
  - (iv) where a jointly controlled entity holds equity in the venturer, the percentage of equity held by the jointly controlled entity.
- (b) where the equity method is applied to interests in jointly controlled entities, the amount of the venturer's share of jointly controlled entities':
  - (i) profit or loss before income tax; and
  - (ii) income tax expense; and
- (c) where the equity method is applied to interests in jointly controlled entities:
  - (i) the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the income statement in which those impairment losses are included; and
  - (ii) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the income statement in which those impairment losses are reversed; and

- (d) the venturer's share of jointly controlled entities' non-capital expenditure commitments contracted for other than for the supply of inventories.

**Aus57.4** Interests in jointly controlled entities accounted for using the equity method shall be classified as non-current assets. The venturer's share of the profit or loss of such entities, and the carrying amount of those interests, shall be separately disclosed. The venturer's share of any discontinued operations of such entities shall also be separately disclosed.

**Aus57.5** The venturer's share of changes recognised directly in the jointly controlled entity's equity shall be recognised directly in equity by the venturer and shall be disclosed in the statement of changes in equity as required by AASB 101 *Presentation of Financial Statements*.

## **Effective Date**

58. [Deleted by the AASB]

## **Withdrawal of IAS 31 (revised 2000)**

59. [Deleted by the AASB]

## **DIFFERENCES BETWEEN AASB 131 AND AASB 1006**

*This analysis of differences accompanies, but is not part of, the AASB 131.*

This section identifies differences between AASB 1006 *Interests in Joint Ventures* and AASB 131 *Interests in Joint Ventures* under the following headings.

- A: Incompatibilities between AASB 1006 and AASB 131
- B: AASB 1006 is more detailed or restrictive
- C: AASB 131 is more detailed or restrictive
- D: AASB 1006 disclosures are more extensive
- E: AASB 131 disclosures are more extensive

The analysis of differences should not be taken as providing an exhaustive list of differences.

### **Introduction**

Both AASB 131 and AASB 1006 use joint control as the basis for identifying joint ventures and define joint control as the contractually agreed sharing of control over an economic activity. AASB 131, however, adds to its definition that joint control exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers). This narrows the number of arrangements meeting the definition of a joint venture under AASB 131 compared with that under AASB 1006.

AASB 131 identifies three types of joint ventures (jointly controlled operations, jointly controlled assets and jointly controlled entities) as compared with the two identified in AASB 1006 (joint venture operations and joint venture entities). Joint venture operations in AASB 1006 encompasses jointly controlled operations and jointly controlled assets in AASB 131, while joint venture entities in AASB 1006 is consistent with jointly controlled entities in AASB 131. The following table summarises the three types of joint ventures identified in AASB 131 and their corresponding types under AASB 1006.

AASB 131	Jointly Controlled Operations	Jointly Controlled Assets	Jointly Controlled Entities
AASB 1006	Joint Venture Operations		Joint Venture Entities

The treatment of interests in jointly controlled operations and jointly controlled assets under AASB 131 is consistent with the treatment of interests in joint venture operations under AASB 1006. AASB 1006 and AASB 131 both require a venturer to measure its interest in a jointly controlled entity in its consolidated financial statements by applying the equity method.

## Differences

### A. Incompatibilities between AASB 1006 and AASB 131

#### A.1 Scope

AASB 131 applies to interests in joint ventures. That is, AASB 131 applies to venturers (parties to a joint venture that have joint control over the joint venture) and investors in a joint venture that are not venturers. In contrast, AASB 1006 applies only to venturers.

Where an investor has an investment in a joint venture but is not one of the venturers and does not have significant influence over the joint venture, AASB 131.51 requires the investor to account for that investment in accordance with AASB 139 Financial Instruments: Recognition and Measurement. Under AASB 139, such investments would generally be classified as available-for-sale financial assets and measured at fair value without any deduction for disposal costs. However, under AASB 139, an investment may upon initial recognition be categorised as at fair value through profit or loss if it is (a) classified as held for trading or (b) designated by the investor as at fair value through profit or loss under certain conditions.

Investments in joint ventures by investors that have neither joint control nor significant influence are outside the scope of AASB 1006. Therefore, the treatment of such investments is governed by the general requirements of AASB 1041 Revaluation of Non-Current Assets. Under AASB 1041 investments must be accounted for:

- at cost;

- at fair value with revaluation increments and decrements on remeasurement of investments within the same class offset against one another in accordance with AASB 1041; or
- in the case of investments that are financial assets of registered schemes and undertakings to which prescribed interests relate, at net market value with gains and losses on remeasurement included in net profit or loss.

As a result, the consolidated financial statements of an investor that is not one of the venturers in a joint venture will differ from that prepared under Australian equivalents to IFRSs, irrespective of whether the investor accounts for such investments under AASB 1041 at cost, net market value (since AASB 139.43 prohibits any deduction for disposal costs) or fair value. In the case of investments carried as at fair value through profit or loss, AASB 139 requires the gains and losses on remeasurement to be recognised in profit or loss, whereas such gains and losses will, under AASB 1041, be recognised on the basis outlined above. Note, however, under AASB 139, gains or losses on the remeasurement of investments classified as available-for-sale financial assets shall be recognised directly in equity (until the asset is de-recognised). On the other hand, gains or losses on the remeasurement of investments categorised as at fair value through profit or loss (including investments classified as held-for-trading financial assets and those designated as at fair value through profit or loss) shall be recognised directly in profit or loss.

In addition, the investor is prohibited under AASB 1018 Statement of Financial Performance from recycling the balance of the asset revaluation reserve in net profit or loss once the investment is disposed of, or determined to be impaired, but is required to recycle the balance of the relevant equity reserve under AASB 139.

## **A.2 Held for trading investments and entities suffering severe long – term restrictions**

### *Scope – venture capitalists, mutual funds, unit trusts and insurers*

AASB 131 does not apply to venturers' interests in jointly controlled entities held by venture capital organisations, mutual funds, unit trusts and similar entities including investment-linked insurance funds when those investments are upon initial recognition designated as at fair value through profit or loss or are classified as held for trading and accounted for in accordance with AASB 139 (see AASB 131.1). Those investments are measured at fair value, with changes in that value being taken to profit or loss in the period in which they occur. Further, AASB 131 provides exemptions from application of the equity method where the venturer satisfies the condition in paragraph 2 of the Standard. AASB 1006 does not contain similar scope restrictions, however, interests in joint ventures controlled by insurers are measured at net market

value under AASB 1023 *Financial Reporting of General Insurance Activities* and AASB 1038 *Life Insurance Business*.

AASB 131.42 requires interests in jointly controlled entities to be accounted for in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when they are classified as held for sale in accordance with that Standard. Under AASB 5, such investments will be measured at the lower of carrying amount and fair value less costs to sell. AASB 1006.12.1 excludes entities that are acquired and held exclusively with a view to their disposal in the near future from the definition of jointly controlled entities. AASB 1006 gives a similar treatment to entities operating under severe long-term restrictions that significantly impair their ability to make distributions to the venturer and the accounting is governed by the general requirements of AASB 1041. However, AASB 131 requires a venturer that continues to have joint control of an interest in a joint venture to apply equity method in a similar situation. As a result, in such cases, the financial report of an investor under AASB 1006 and related pronouncements will differ from that prepared under AASB 131 irrespective of whether the investor accounts for the investments under AASB 1006 and related pronouncements at cost, net market value (since AASB 5.15 requires measurement of non-current assets classified as held for sale at the lower of cost and fair value less costs to sell) or fair value. However, where the application of AASB 5 results in investments classified as held for sale being measured at fair value less costs to sell, the treatments under AASB 1006 and related pronouncements and AASB 131 would be similar in cases where the former investments were measured at net market value.

### **A.3 Equity-accounted carrying amount of an interest in a joint venture entity**

Both AASB 1006 and AASB 131 require a venturer to measure its interest in a jointly controlled entity in its consolidated financial statements by applying the equity method as set out in the relevant Standards on accounting for investments in associates. Incompatibilities between AASB 3 *Business Combinations* and AASB 128 *Investments in Associates*, and AASB 1015 *Acquisitions of Assets* and AASB 1016 *Accounting for Investments in Associates* on accounting for business combinations and investments in associates result in different equity-accounted carrying amounts for interests in joint venture entities. (For example, where there are different reporting dates for the investor and the investee, AASB 3 and AASB 128 indicate that adjustments should be made for the effects of significant events or transactions between the investor and the investee during the period between the date of the investee's financial report and the date of the investor's financial report. In contrast, AASB 1016 requires such information to be disclosed by way of note.)

Where an investor has significant influence but not joint control over a joint venture, AASB 131.51 requires the investor to account for its investment in accordance with AASB 128. Although AASB 1006 does not address the treatment of investments in joint ventures by investors that have significant influence but not joint control over the joint ventures, such investments (assuming they represent interests in joint venture entities) fall within the scope of AASB 1016. Incompatibilities between AASB 3 and AASB 128, and AASB 1015 and AASB 1016 on accounting for business combinations and investments in associates will result in different carrying amounts of investments in joint ventures over which the investor has significant influence but not joint control.

#### **A.4 Venturer's separate financial statements – joint venture entity**

AASB 1006.6.1-6.3 require a venturer to measure its interest in a joint venture entity in its separate financial statements as follows:

- if the joint venture entity is a partnership, by applying the equity method as set out in AASB 1016 (irrespective of whether the venturer prepares consolidated financial statements); and
- if the joint venture entity is not a partnership, in accordance with the “cost method” (that is, by initially recognising the investment at its cost of acquisition and subsequently recognising it either at cost or at fair value in accordance with AASB 1041) where the venturer prepares consolidated financial statements, and by applying the equity method as set out in AASB 1016 where the venturer does not prepare consolidated financial statements.

Under AASB 131 a venturer recognises its interest in a jointly controlled entity using the equity method as described in AASB 128. However, when separate financial statements are prepared by the venturer, AASB 127.37 requires that investments in jointly controlled entities that are equity accounted in the consolidated financial statements in accordance with AASB 131, be accounted for either at cost or in accordance with AASB 139 in the venturer's separate financial statements. A venturer that is exempted from applying equity method under paragraph 2(c) of AASB 131 and is a parent, accounts for its interest in a jointly controlled entity in its separate financial statements in accordance with AASB 127, at cost or in accordance with AASB 139. AASB 131.Aus43.1 requires a similar treatment by a venturer that is not a parent and is exempted from applying the equity method under paragraph 2(c) of the Standard.

Under AASB 127.39, where investments in jointly controlled entities are accounted for in accordance with AASB 139 in the consolidated financial statements, they are accounted for in the same way in the investor's separate financial statements.

## **B. AASB 1006 is more detailed or restrictive**

### **B.1 Recognition criteria for assets, liabilities, expenses and revenues – joint venture operations**

Both AASB 131.15 and AASB 1006.5.1 require a venturer in a joint venture operation to recognise the assets, liabilities and expenses arising from its interest in the joint venture operation, as well as the revenues from the sale or use of its share of the output of the joint venture operation. Further, AASB 1006.5.1 sets out recognition criteria for such assets, liabilities, expenses and revenues. AASB 131 does not include similar recognition criteria.

### **B.2 Liability recognition – joint venture entity**

Where a venturer recognises a liability relating to its interest in a joint venture entity, AASB 1006.6.5 requires the liability to be recognised separately from the carrying amount of the venturer's investment in the joint venture entity. AASB 131 does not address the recognition of liabilities relating to a venturer's interest in a joint venture entity. However, to the extent that such liabilities are within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, their treatment under Australian equivalents to IFRSs would be consistent with the requirements of AASB 1006.

## **C. AASB 131 is more detailed or restrictive**

### **C.1 Identifying entities acquired and held exclusively with a view to disposal in the near future**

As noted in A.2, AASB 131.42 requires interests in jointly controlled entities to be accounted for in accordance with AASB 5, when they are classified as held for sale in accordance with that Standard. AASB 1006.12.1 excludes entities that are acquired and held exclusively with a view to their disposal in the near future from the definition of jointly controlled entities. Further, AASB 1006.1.10 provides guidance on identifying such an investment. In particular, an investment is regarded as having been acquired and held exclusively with a view to its disposal in the near future if a purchaser has been identified or is being actively sought and disposal is reasonably expected to occur within one year of acquiring the investment. AASB 5.6 to 5.12 provides guidance in relation to the classification of a non-current asset as held for sale. Further, under AASB 131.43, where an interest in a jointly controlled entity previously classified as held for sale no longer meets the criteria to be so classified, it is accounted for using the equity method as from the date of its classification as held for sale and the venturer amends the

financial statements for the periods since classification as held for sale. AASB 1006 does not contain similar guidance.

## **C.2 Determining profits and losses on transactions between venturers**

Where a venturer contributes or sells assets to a joint venture (whether in the form of jointly controlled assets, a jointly controlled operation, or a jointly controlled entity), AASB 131.48 requires the venturer to recognise only that portion of the gain or loss attributable to the interests of the other venturers while the assets are retained by the joint venture (provided the venturer has transferred the significant risks and rewards of ownership to the joint venture). However, the full amount of any loss must be recognised where the contribution or sale provides evidence that, in the case of current assets, there has been a reduction in their net realisable value or, in the case of non-current assets, the assets are impaired. AASB 139.48 is more detailed than AASB 1006 and related pronouncements in the following ways:

- in the case of the sale of an asset by a venturer in a joint venture operation, AASB 1006.8.1 requires the amount of the profit or loss arising from the sale of part or all of the asset to the other venturers in the joint venture operation in exchange for an interest in the joint venture to be determined as the difference between the fair value of the consideration received or receivable and the carrying amount immediately prior to sale of the portion of the asset that has been sold. Although this requirement is consistent with the general requirement in AASB 131.48 to recognise only that portion of the gain or loss attributable to the interests of the other venturers, it only applies where the sale of the asset is in exchange for an interest in the joint venture operation. Unlike AASB 131.48, AASB 1006 does not address the determination of the profit or loss on the sale of an asset by a venturer to the other venturers in a joint venture operation in circumstances where the sale is not in exchange for an interest in the joint venture operation; and
- where a venturer sells non-current assets to the other venturers in a joint venture operation and the sale provides evidence that the non-current assets are impaired, the assets would, under AASB 1010 *Recoverable Amount of Non-Current Assets*, be written down to their recoverable amount by the venturer prior to recording the sale transaction. Similarly, where a venturer sells inventories to the other venturers in a joint venture operation and the sale provides evidence that the net realisable value of the inventories has declined, the inventories would under AASB 1019 *Inventories*, be written down to net realisable value by the venturer prior to recording the sale transaction. Therefore, where a venturer sells non-current assets or inventories to the other venturers in a joint venture operation and the

sale provides evidence that either the non-current assets are impaired or the net realisable value of the inventories has declined, the recoverable amount or net realisable value write-down recognised under AASB 1010 and AASB 1019 will generally be consistent with the loss recognised under AASB 131.48. However, AASB 1010 and related pronouncements are silent on the treatment of losses on the sale by a venturer of current assets other than inventories where the sale provides evidence that the net realisable value of the assets has declined.

## **D. AASB 1006 disclosures are more extensive**

### **D.1 Interests in joint venture entities**

AASB 131 requires disclosures in respect of jointly controlled entities that are similar to those under AASB 128 for associates. This is because AASB 131 mandates the equity method for jointly controlled entities. AASB 1006, however, specifies that a venturer is not required to apply the disclosure requirements of AASB 1016 *Accounting for Investments in Associates* to its investment in a joint venture entity. This is because AASB 1006 disclosure requirements are extensive and to a large extent covers those required by AASB 1016.

AASB 1006.9.3(h) and 9.3(i) require a venturer to disclose:

- the financial effects of events or transactions occurring after a joint venture entity's reporting date which could materially affect the financial position or operating performance of that joint venture for the next reporting period; and
- where adjustments to eliminate the effect of dissimilar accounting policies cannot be made, the nature of the dissimilarities.

AASB 131 does not require disclosure of the above information.

## **E. AASB 131 disclosures are more extensive**

### **E.1 Disclosures about jointly controlled entities**

AASB 131 paragraphs Aus57.2 (a), Aus57.2 (c) to (g), Aus57.3 (a) to (c) and Aus57.4 require a venturer to disclose in respect of interests in jointly controlled entities, the following information:

- the fair value of interests in jointly controlled entities for which there are published price quotations;

- the nature and extent of any significant restrictions (for example, resulting from borrowing arrangements or regulatory requirements) on the ability of jointly controlled entities to transfer funds to the venturer in the form of cash dividends, repayment of loans or advances;
- the unrecognised share of losses of a jointly controlled entity, both for the period and cumulatively, if a venturer has discontinued recognition of its share of losses of a jointly controlled entity;
- where the equity method is applied, the venturer's share of any discontinued operations of jointly controlled entities;
- the fact that a jointly controlled entity is not accounted for under the equity method in accordance with AASB 131.2;
- summarised financial information of jointly controlled entities, either individually or in groups, that are not accounted for using the equity method, including the amounts of total assets, total liabilities, revenues and profit or loss;
- the reason for using a different reporting date or different period when financial statements of a jointly controlled entity used in applying the equity method are as of a reporting date or for a period that is different from that of the venturer;
- in respect of each significant jointly controlled entity, where a jointly controlled entity holds equity in the venturer, the percentage of equity held by the jointly controlled entity;
- where the equity method is applied to interests in jointly controlled entities:
  - the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the income statement in which those impairment losses are included; and
  - the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the income statement in which those impairment losses are reversed.

AASB 1006 does not require the disclosure of the above information. Further, AASB 131 requires that interests in jointly controlled entities accounted for using the equity method be classified as non-current assets. AASB 1006 does not contain this requirement.