ACTA UNIVERSITATIS AGRICULTURAE ET SILVICULTURAE MENDELIANAE BRUNENSIS

Volume 64 31 Number 1, 2016

http://dx.doi.org/10.11118/actaun201664010275

DISCLOSURE OF SUBSIDIARIES WITH NON-CONTROLLING INTEREST IN ACCORDANCE WITH IFRS 12: CASE OF MATERIALITY

Tereza Gluzová[1]

[1] Department of Financial Accounting and Auditing, Faculty of Finance and Accounting, University of Economics in Prague, nám. W. Churchilla 4, 130 67 Praha 3, Czech Republic

Abstract

GLUZOVÁ TEREZA. 2016. Disclosure of Subsidiaries with Non-controlling Interest in Accordance with IFRS 12: Case of Materiality. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis,* 64(1): 275–281.

Consolidated financial statements present aggregated information for parent company and its subsidiaries. For non-wholly owned subsidiaries, International Financial Reporting Standards require non-controlling interest to be presented within consolidated equity to distinguish it from the amount of equity attributable to the shareholders of the parent. Since 2014, new standards on consolidation introduced broadened disclosure requirements for subsidiaries with material non-controlling interest. Definition of material non-controlling interest however is not included in the standards. The article provides the analysis of the financial statements published by companies listed on Prague Stock Exchange. Main focus is given to assessment criteria applied to identify material non-controlling interest. Consequently, study of compliance with the disclosure requirements for selected companies has been undertaken. The results of the analysis indicate whether value relevance of financial statements has been improved as a result of the new disclosures.

Keywords: consolidated financial statements, disclosure, IFRS, non-controlling interest

INTRODUCTION

Consolidated financial statements present financial information for a group of companies, formed by a parent company and companies it owns and controls, as if it were a single economic unit. In the Czech Republic and other member countries of European Union (EU), companies publicly traded on the regulated markets must prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as required by the Regulation (EC) No. 1606/2002. Alongside the obligatory IFRS adoption by listed companies, member countries have been given an option to require or allow the use of IFRS in further situations. With regard to consolidated statements, the application of IFRS for non-listed companies is currently permitted by the Czech legislation, namely the Act No. 563/1991 Coll., Section 19a (7) and (8).

IFRS were chosen by the European Commission as a uniform basis for presentation of financial information with the aim to improve comparability and increase market efficiency (Jermakowicz and Gornik-Tomaszewski, 2006). A number of studies have been published since the adoption of the Regulation, questioning whether the desired effect of improved comparability has been achieved (e. g. Păşcan and Ţurcaş, 2012; Silva, Couto and Cordeiro, 2009; and Jaruga, Fijalkowska, Jaruga-Baranowska *et al.*, 2007).

The article focuses on companies' approach to disclosure on non-controlling interest (NCI), an aspect specific to consolidated financial statements. According to IFRS 12 Disclosure of Interest in Other Entities, reporting entities should disclose detailed information about subsidiaries with material non-controlling interest. However the standard remains silent as to how to assess materiality of NCI. The paper analyses the approach to materiality of NCI and the information disclosed by the companies listed on Prague Stock Exchange. The results of the analysis are evaluated in terms of comparability and usefulness for users of financial statements.

Non-controlling Interest

Non-controlling interest may be understood as a portion of a subsidiary company that is not owned, directly or through other subsidiary companies, by the parent company. The treatment of NCI in the consolidated statements varies, based on the approach to consolidated financial statements. Throughout the literature, three major theories of consolidated statements can be distinguished (Sotti, Rinaldi and Gavana, 2015; Zelenka and Zelenková, 2013; Baltariu and Cîrstea, 2012; Zelenka, 2012; Davis and Largay, 2006; Beckman, 1995). Under proprietary theory, only the portion of the subsidiary held by the parent is accounted for in the consolidated statements and thus, no NCI is recognized. This theory leads to the use of proportionate method of consolidation. Though it was argued by some (e.g. Bierman, 1992) that proportionate consolidation provide useful financial information when less than 100 per cent of the subsidiary is owned, its application is not allowed by the IFRS. Next two approaches, the parent company theory and the economic unit theory are both based on full consolidation method but differ in the treatment of NCI. In consolidated statements prepared according to parent company theory, the portion of the not-wholly owned subsidiary is recognized as a liability, several authors (e. g. Zelenka, 2011 and Beckman, 1995) mention the possibility to present non-controlling interest as a separate category between liabilities and equity. Modifications of the parent company theory offer different view as to whether identifiable net assets of the subsidiary are recognized at their book values, parent's share of acquisition-date fair values or acquisition-date fair values at full.

Despite widespread use in past, parent company theory is no longer included in IFRS. Currently, the preferred and only allowed method of accounting for NCI is based on the idea of reporting entity being the single economic unit, separate from the parent company and from the owners of the parent (Baltariu and Cîrstea, 2012). Under this approach, consolidated statements comprise parent company and subsidiary company at full, with the net assets of the subsidiary recognized at their acquisition-date fair values. Non-controlling interest is reported to as a separate part of the shareholders' equity. As mentioned above, consolidated financial statements under IFRS are prepared in accordance with the principles of economic unit theory.

Accounting for Non-controlling Interest

Accounting treatment for non-controlling interest is included in IFRS 3 Business Combinations, the revised version of which was issued in 2008. When the control over the subsidiary is gained, acquisition method applies and if a portion of a subsidiary is not held by the parent, non-controlling interest must be measured. Even though the prevalent tendency to unify reporting regulation, two possible approaches are applicable, resulting in two alternatives to measure non-controlling interest:

- non-controlling interest at fair value; or
- non-controlling interest at a proportionate share of the fair values of the identifiable net assets of the subsidiary.

After initial recognition of NCI in equity, the amount of non-controlling interest is adjusted for any changes in the net assets of the subsidiary from the date of acquisition, with the proportionate portion allocated to non-controlling interest. In the consolidated statement of financial position, NCI is reported as a single number, whereas further disaggregation is to be provided in the statement of comprehensive income and statement of changes in equity.

Consolidated income statement aggregates income and expenses and items of other comprehensive income for the group as a whole. Consolidated profit or loss and comprehensive income for the period is subsequently divided to highlight separately the portions attributable to non-controlling interest. Similar requirement is carried over to statement of changes in equity. According to IAS 1 Presentation of financial statements, total comprehensive income must separate the amounts attributable to controlling and non-controlling interests. Furthermore, effects of changes in ownership interest, dividend distribution and other items affecting non-controlling interest are presented in the statement, with the reconciliation between non-controlling interest at the beginning and the end of the period.

Disclosures Related to Non-controlling Interest

Until recently, information and data to be disclosed for non-controlling interest were specified predominantly in two standards. IAS 1, as mentioned above, prescribes the presentation of NCI in the consolidated financial statements. IFRS 3 requires an entity to present information about the measurement basis for NCI at the date of acquisition and valuation techniques used in case NCI is measured at fair value. In order to increase usefulness of consolidated statements to the investors, bring more clarity to the composition of the group and underline the importance of non-controlling interest, the IASB (International Accounting Standards Board, standard setting body of IFRS) decided to extend the amount of disclosure provided about interest in other entities and as a result, IFRS 12 Disclosure of Interest in Other Entities was issued in 2011. In the European Union, obligatory effective date of the standard is for the reporting periods beginning on or after 1 January 2014, with early application permitted.

According to Vašek and Gluzová (2014), majority of the companies however has opted for the official effective date. Since 2014 companies are required to disclose detailed information about each subsidiary with non-controlling interest material to the reporting entity.

The application of a new standard is always a complex issue and with no previous experience, outcomes may be fairly mixed. At first, quality of disclosed information and the level of detail are supposed to vary amongst entities. Secondly, the definition of materiality with regard to non-controlling interest is not addressed anywhere in the standard. Therefore different bases to determine materiality may be used by the companies, and as a result, the level of comparability may be hindered.

MATERIALS AND METHODS

Importance of consolidated financial statement in comparison with parent-only financial statement has been subject to studies by i.e. Müller (2011), Abad, Laffarga, García-Borbolla *et al.* (2000) or Niskanen, Kinnunen and Kasanen (1998). Many authors also contributed to the discussion about non-controlling interest in the consolidated statements. The work of Clark (1993) presents overview of the different approaches to non-controlling interest since the beginning of the 20th century until 1991, similar analysis is provided by Zelenka (2011). Nurnberg (2001) argues with different concepts of presenting non-controlling interests' share on retained earnings in consolidated statements. Investigation of the allocation of income in consolidated statements has consequently been developed by Aceituno, Valeriano, Bolívar *et al.* (2006), analyzing the impact of the different ways of allocating income on financial ratios. From the most recent years, work of Sotti, Rinaldi and Gavana (2015) is devoted to measurement options for NCI, where the authors criticize availability of two currently applicable approaches and document the lack of comparability under such circumstances.

Great deal of studies has been devoted to the impact of the information disclosed to the financial statements in various areas. Dima, Cuzman, Dima *et al.* (2013) examined the effect of the amount of disclosed information on price-to-earnings ratios (P/E) on Romanian and Spanish stock market and revealed a positive correlation between the volume of disclosed information and P/E in both countries. Increasing the amount of disclosures has been connected with reducing information asymmetry and thus the company cost of capital, as proved by Shroff, Sun, White *et al.* (2013), though according to some (i. e. Botosan, 1997), the relationship is not that clear. A comprehensive review of the related literature, including arguments both for and against increasing disclosure level is given by Healy and Palepu (2001) and Leuz and Verrecchia (2000).

Recent works by Santos, Ponte and Mapurunga (2014), Tsalavoutas and Dionysiou (2014) and Miková and Valášková (2013) investigated compliance with general disclosure requirements in financial statements of companies listed on stock exchanges in Brazil, Greece and the Czech Republic respectively.

Yet there has been no study regarding the disclosure of additional information about non-controlling interest in the notes to the financial statements. This is predominantly due to recent adoption of IFRS 12 with broadened disclosure requirements by European companies. For majority of the companies in European Union, 2014 was the first accounting period in which IFRS 12 and related consolidation standards were applied in preparation and presentation of financial statements. Regardless of the early adopters, first half of 2015 is the first period where appropriate data are available to undertake a thorough analysis of IFRS 12 focused on disclosure requirements for non-controlling interest. On the sample of companies listed on Prague Stock Exchange, this paper analyses, whether all disclosure requirements for non-controlling interest were met in the financial statements and discusses different possible approaches to presentation of non-controlling interest and its impact on value relevance for users.

Research sample comprises companies listed on Prague Stock Exchange as at 25 April 2015 and was created in following manner:

1) companies with financial instruments comprising shares, corporate and financial sector bonds, certificates and other debt securities quoted on an active market were selected (public sector bonds and qualified investors funds were omitted from the study);
2) companies not presenting financial statements in accordance with IFRS were excluded from the sample;
3) companies whose financial statements for year 2014 were not available were excluded from the analysis;
4) companies not presenting consolidated financial statements were eliminated;
5) consolidated financial statements where non-controlling interest was not presented were eliminated.

Further analysis focuses non-controlling interest reported in financial statements and on a manner companies determine materiality of non-controlling interest. For companies whose financial statements provided information for subsidiaries with material non-controlling interest, a compliance level with requirements of IFRS 12 was calculated.

As for methodology to assess level of compliance with disclosure requirements, calculation of disclosure index is used by most researchers, as suggested by an overview study provided by Chavent, Ding, Fu *et al.* (2006). From the existing methods of calculation, Cooke disclosure index has been chosen to be the most appropriate (for reasoning see Tsalavoutas, Evans and Smith, 2010).

Each item to be disclosed is given equal relevance; therefore the index is referred to as unweighted.

The disclosure level for each company is determined as follows:

$$C_j = \frac{Actual\,disclosure = \sum_{i=1}^{n} di}{Total\,possible\,disclosure = \sum_{i=1}^{m} di},$$

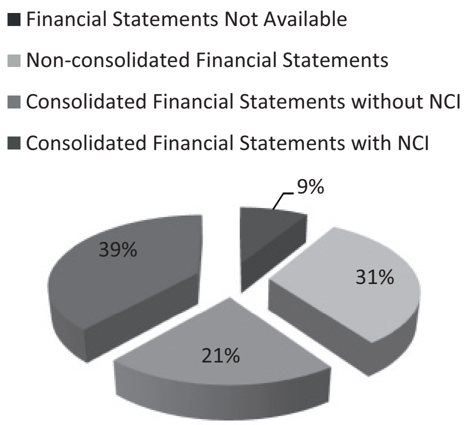
where C_j is disclosure index for the company, d_i are items disclosed by company j, n is the actual number of items disclosed by company j and m is the maximum number of disclosure items possible for company j. In case the item is not relevant for disclosure for the company, it is not included in the calculation of the index. The same applies for voluntarily disclosures, which are not taken into consideration for the index calculation.

Items included in calculation of the disclosure index are summarized in Tab. I.

Information listed in Tab. I shall be presented separately for each subsidiary with non-controlling interest that is material to the reporting entity. Accounting policies applied for identification of subsidiaries with material non-controlling interest are subject to analysis in the following section of the article.

RESULTS AND DISCUSSION

From total number of 57 companies selected, 5 companies were eliminated because IFRS financial statements for year 2014 were not available. Furthermore, 18 companies present non-consolidated financial statements only and therefore those were also not involved in the further analysis. Finally, consolidated financial statements of 12 companies presented equity attributable to equity holders of the parent company only as ownership interest in all subsidiaries amounts to 100% and were not relevant for the purpose of the study. Fig. 1 provides composition of the analyzed companies.



1: *Composition of analyzed companies*
Source: Compiled by the author

Final sample comprises 22 companies and is to be found in Tab. II. Number of subsidiaries for analyzed companies varied from one for Phillip Morris to 528 for Erste Group Bank. Non-wholly owned subsidiaries ranged from one (for total of 7 companies) to 250 for Erste Group Bank.

As for amounts of NCI presented within equity, three companies accounted for negative balances (Unipetrol, Česká spořitelna and Raiffeisen Centrobank). Remaining 19 companies reported amounts of non-controlling interest in proportion to total equity ranging from 0.013% to 21.371%. No linear dependence between non-controlling interest's share on total equity and percentage of subsidiaries with non-controlling interest can be derived from the results. This assertion is substantiated by the calculated correlation coefficient amounting to 0.160044.

I: *Disclosure requirements of IFRS 12 for subsidiaries with material NCI*

No.	Disclosure requirement	IFRS 12 paragraphs
1	Name of the subsidiary	12 (a)
2	Principal place of business	12(b)
3	Country of incorporation (if different from (2))	12(b)
4	Proportion of ownership interest held by NCI	12(c)
5	Proportion of voting rights held by NCI (if different from (4))	12(d)
6	Profit or loss allocated to NCI of the subsidiary over the reporting period	12(e)
7	Accumulated NCI of the subsidiary at the end of the reporting period	12(f)
8	Dividends paid to NCI	12(e), B10 (a)
9	Summarized financial information about assets and liabilities of the subsidiary	12(e), B10 (b)
10	Information from (9) distinguished for current and non-current assets and liabilities	12(e), B10 (b)
11	Summarized financial information about revenues of the subsidiary	12(e), B10 (b)
12	Summarized financial information about profit or loss of the subsidiary	12(e), B10 (b)
13	Summarized financial information about total comprehensive income of the subsidiary	12(e), B10 (b)
14	Summarized financial information about cash-flows of the subsidiary	12(e), B10 (b)

Source: Compiled by the author based on IFRS 12 requirements

II: *List of companies*

No.	Name
1	Czech Property Investments, a. s.
2	Česká pojišťovna a. s.
3	České dráhy, a. s.
4	ČEZ, a. s.
5	Československá obchodní banka, a. s.
6	Energoaqua, a. s.
7	Erste Group Bank AG
8	Fortuna Entertainment Group N.V.
9	Home Credit B.V.
10	ING Bank, N.V.
11	J&T Banka, a. s.
12	Kofola SA
13	Komerční banka, a. s.
14	Orco Property Group S.A.
15	Pivovary Lobkowicz Group, a. s.
16	Phillip Morris ČR a. s.
17	Raiffeisen Centrobank AG
18	Raiffeisenbank a. s.
19	Toma, a. s.
20	Unipetrol, a. s.
21	Veolia Energie ČR, a. s.
22	Vienna Insurance Group

7 out of the analyzed 22 entities provided detailed information for subsidiaries with material non-controlling interest. According to IFRS 12, reporting entity shall present information separately for each subsidiary with non-controlling interest that is material to the reporting entity. Tab. III provides an overview for entities that consider their non-controlling interest in one or more subsidiary to be material.

Taking into account the lacking definition for material non-controlling interest, each company must determine an accounting policy for identification of subsidiary with material non-controlling interest. It can be understood from the Tab. III and Tab. IV, that materiality of non-controlling interest is determined differently by companies. Most of the companies disclosed information about those material non-controlling interest forming the highest percentage of total non-controlling interest, thus explaining details for percentage of 90.2 to 100 of total non-controlling interest.

On the other hand, for one of the analyzed entities, material NCI form less than 50% of total NCI. This may be caused by applying parameters other than only absolute size of NCI to assess materiality. Percentage of NCI held in each subsidiary or importance of subsidiary in terms of group results represents examples of parameters to consider.

The second factor may be high number of subsidiaries with NCI. Given that only limited amount of information may be presented in financial statements, judgment must be applied to include descriptive information for subsidiaries with the most material NCI. The latter being a possible case

IV: *Ratios for companies with material NCI*

Company	Material NCI to Total NCI	Material NCI to Equity
České dráhy	94.33%	1.92%
ČEZ	97.58%	1.67%
Erste Group Bank	90.2%	8.43%
Home Credit	100.00%	0.31%
J & T Banka	99.88%	5.38%
Komerční banka	100.00%	2.86%
Vienna Insurance Group	44.75%	1.47%

Source: Compiled by the author based on annual reports of selected companies

V: *Disclosure index*

Company	Disclosure index
České dráhy	1.00
ČEZ	1.00
Vienna Insurance Group	0.92
Erste Group Bank	0.83
J & T Banka	0.83
Komerční banka	0.75
Home Credit	0.58

Source: Compiled by the author based on annual reports of selected companies

III: *Companies with material NCI*

Company	Subsidiaries with NCI	Out of with material NCI	Total NCI (million CZK)	Material NCI (million CZK)
České dráhy	5	1	776	732
ČEZ	22	3	4,543	4,433
Erste Group Bank	250	3	99,148	89,430
Home Credit	9	2	105	105
J & T Banka	5	3	826	825
Komerční banka	3	2	3,131	3,131
Vienna Insurance Group	37	5	4,758	2,129

Source: Compiled by the author based on annual reports of selected companies for VIG, which consolidates 37 subsidiaries with NCI and only 5 of those are regarded to as material.

For companies including information about subsidiaries with material NCI, calculation of disclosure index illustrates variable approach to disclosure requirements of IFRS 12. Average disclosure index for the sample is 0.85. The lowest score of 0.58 is attributed to Home Credit that complies only with slightly more than half of the obligatory disclosures. ČEZ and České dráhy are on the other side of the scale and meet disclosure requirements at full.

In terms of particular requirements, deficiencies were mostly caused by companies did not distinguish between current and non-current items of assets and liabilities, omitted information about dividends paid to non-controlling interest and cash-flows of the subsidiary.

16 companies with non-wholly owned subsidiaries reported no material non-controlling interest in financial statements. With the exception of negative NCI balances, the ratio of NCI to total equity for those companies varies between 0.013% and 3.177%. Comparison of these numbers to values for entities with material NCI, where four companies reached the ratio of lower than 3.177% detects the possible shortcomings of IFRS 12. In the analyzed sample, this is the case of Energoaqua or Pivovary Lobkowicz Group, who included no detailed description of subsidiaries with NCI even though they represent considerable amount of their net assets. Should they be included in the detailed analysis, their disclosure index would have shown a low level of compliance with IFRS 12 requirements.

CONCLUSION

Disclosure requirements for subsidiaries with material NCI have been in place for short period of time. Guidance on implementing the criterion of materiality for NCI has not been provided by the standards. Neither must the assessment criteria applied by the entity be described in the financial statements. Conclusion reached by the analysis provided in this article reflects how companies have dealt with their application in financial statements. Results show that unclearly defined terms may lead to differences in interpretation of IFRS by the companies.

At the same time, even though companies include information about subsidiaries with material NCI and achieve high disclosure index, value relevance of information may not be comparable. This is due to the fact that various accounting principles to assess materiality of NCI are applied and level of detail for evaluated disclosures varies.

As long as companies are not required to inform about accounting policies used to assess materiality of non-controlling interest, comparability of financial statements can be questioned. It would be advisable to include more precise definitions or enrich application guidance in the particular standards with illustrative examples. Such an approach would help with more unanimous interpretation of IFRS requirements.

Acknowledgement

The article is processed as an output of a research project Relevance of Accounting Information on Consolidated Basis in Business and Public Sector [in Czech: Relevance účetních informací na konsolidovaném základu v podnikatelském i veřejném sektoru] registered by the Internal Grant Agency of University of Economics under the registration number F1/47/2015.

REFERENCES

ABAD, C., LAFFARGA, J., GARCÍA-BORBOLLA, A. et al. 2000. An Evaluation of the Value Relevance of Consolidated versus Unconsolidated Accounting Information: Evidence from Qouted Spanish Firms. *Journal of International Financial Management and Accounting*, 11(3): 156–177.

ACEITUNO, F., VALERIANO, J., BOLÍVAR, R. et al. 2006. The Conceptual Framework Concept and the Allocation of Incomes in the Consolidated Entity: Its Impact on Financial Ratios. *International Journal of Commerce and Management*, 16(2): 95–115.

BALTARIU, C. A. and CÎRSTEA, A. 2012. Harmonization of Goodwill Reporting Practice in the Consolidated Financial Statements of Romanian Groups. *Annales Universitatis Apulensis Series Oeconomica*, 14(2): 311–319.

BECKMAN, J. K. 1995. The Consolidated Unit Approach to Consolidated Financial Statements: Support from the Financial Economics Literature. *Journal of Accounting Literature*, 14: 1–23.

BIERMAN, H. 1992. Proportionate Consolidation and Financial Analysis. *Accounting Horizons*, 6(4): 5–18.

BOTOSAN, C. A. 1997. Disclosure Level and the Cost of Equity Capital. *The Accounting Review*, 72(3): 323–349.

CHAVENT, M., DING, Y., FU, L. et al. 2006. Disclosure and determinants studies: An extension using the Divisive Clustering Method (DIV). *European Accounting Review*, 15(2): 181–218.

CLARK, M. W. 1993. Evolution of Concepts of Minority Interest. *The Accounting Historians Journal*, 20(1): 59–78.
DAVIS, M. L. and LARGAY, J. A. 2006. The consolidation dilemma – understanding the issues. *The Journal of Theoretical Accounting Research*, 2(1): 35–61.
DIMA, B., CUZMAN, I., DIMA, S. et al. 2013. Effect of Financial and Non-financial Information Disclosure on Prices' Mechanisms for Emergent Markets: the Case of Bucharest Stock Exchange. *Accounting and Management Information Systems*, 12(1): 76–100.
HEALY, P. M. and PALEPU, K. G. 2001. Information Asymmetry, Corporate Disclosure, and the Capital Markets: A Review of the Empirical Disclosure Literature. *Journal of Accounting and Economics*, 31(1–3): 405–440.
JARUGA, A., FIJALKOWSKA, J., JARUGA-BARANOWSKA, M. et al. 2007. The Impact of IAS/IFRS on Polish Accounting Regulations and their Practical Implementation in Poland. *Accounting in Europe*, 4(1): 67–78.
JERMAKOWICZ, E. K. and GORNIK-TOMASZEWSKI, S. 2006. Implementing IFRS from the perspective of EU publicly traded companies. *Journal of International Accounting, Auditing and Taxation*, 15: 170–196.
LEUZ, C. and VERRECCHIA, R. E. 2000. The Economic Consequences of Increased Disclosure. *Journal of Accounting Research,* 38(Supplement 2000): 91–124.
MIKOVÁ, T. and VALÁŠKOVÁ, M. 2013. Do Listed Companies in PSE Meet IFRS Disclosure Requirements? *International Journal of Organizational Leadership*, 2(2): 52–61.
MÜLLER, V. 2011. Value Relevance of Consolidated versus Parent Company Financial Statements: Evidence from the Largest Three European Capital Markets. *Accounting and Management Information Systems*, 10(3): 326–350.
NISKANEN, J., KINNUNEN, J. and KASANEN, E. 1998. A Note on the Information Content of Parent Company versus Consolidated Earnings in Finland. *European Accounting Review*, 7(1): 31–40
NURNBERG, H. 2001. Minority Interest in the Consolidated Retained Earnings Statement. *Accounting Horizons*, 15(2): 119–146.
PĂŞCAN, I. D. and ŢURCAŞ, M. 2012. Measuring the Impact of First-time Adoption of International Financial Reporting Standards on the Performance of Romanian Listed Entities. *Procedia Economics and Finance*, 3: 211–216.
SANTOS, E. S., PONTE, V. M. R. and MAPURUNGA, P. V. R. 2014. Mandatory IFRS adoption in Brazil (2010): Index of Compliance with Disclosure Requirements and Some Explanatory Factors on Firms Reporting. *Revista Contabilidade & Finanças*, 25(65): 161–176.
SHROFF, N., SUN, A., WHITE, H. et al. 2013. Voluntary Disclosure and Information Asymmetry: Evidence from the 2005 Securities Offering Reform. *Journal of Accounting Research*, 51(5): 1299–1345.
SILVA, F., COUTO, G. and CORDEIRO, R. 2009. Measuring the Impact of International Financial Reporting Standards (IFRS) to Financial Information of Portuguese Companies. *Revista Universo Contabil*, 5(1): 129–144.
SOTTI, F., RINALDI, L. and GAVANA, G. 2015. Measurement Options for Non-controlling interests and their Effects on Consolidated Financial Statements Consistency. Which Should the Disclosure Be? *Corporate Ownership and Control*, 12(2): 293–302.
TSALAVOUTAS, I. and DIONYSIOU, D. 2014. Value Relevance of IFRS Mandatory Disclosure Requirements. *Journal of Applied Accounting Research*, 15(1): 22–42.
TSALAVOUTAS, I., EVANS, L. and SMITH, M. 2010. Comparison of Two Methods for Measuring Compliance with IFRS Mandatory Disclosure Requirements. *Journal of Applied Accounting Research*, 11(2): 213–228.
VAŠEK, L. and GLUZOVÁ, T. 2014. Can a New Concept of Control under IFRS Have an Impact on a CCCTB? *European Financial and Accounting Journal*, 9(4): 110–127.
ZELENKA, V. 2012. Typology of Concepts of Consolidated Financial Statements [in Czech: Typologie koncepcí konsolidovaných účetních výkazů]. *Český finanční a účetní časopis*, 7(1): 52–63.
ZELENKA, V. 2011. Disclosure of Non-controlling Interests in the Statement of Financial Position [in Czech: Zveřejnění nekontrolních podílů v rozvaze]. *Český finanční a účetní časopis*, 6(3): 125–129.
ZELENKA, V. 2008. Full Goodwill – New Phenomenon in Business Combinations Reporting [in Czech: Nový fenomén vykazování podnikových kombinací – celkový goodwill]. *Český finanční a účetní časopis*, 3(4): 37–43.
ZELENKA, V. and ZELENKOVÁ, M. 2013. *Consolidated Financial Statements: Principles and Practical Application* [in Czech: *Konsolidace účetních výkazů: principy a praktické aplikace*]. Praha: Ekopress.

Contact information

Tereza Gluzová: xglut00@vse.cz