

## Consolidation of Accounts

### **General Objectives:**

Analyze the problematic of the consolidation of accounts and the compliance with Decree-Law 238/91 of July 2 and some comparisons with the international panorama in this domain.

### **Specific Objectives:**

At the end of this Course the participants will know:

- Understand the Optics, Methods, Techniques and Operations of Consolidation;
- Perform the necessary work for the preparation of consolidated accounts;
- Understand and frame the different legal diplomas that are the basis of the Consolidation;
- Understand the scope and framework of Tax Consolidation.

### **Recipient**

This course is intended for: Directors and management of financial departments, accounting and management control, commercial and business support offices; Technical staff responsible for project analysis and evaluation of companies; auditing; Managers and Account Managers of companies.

### **Duration**

18 Hours

### **Content Program**

**Module I - Introduction, objectives, advantages and limitations of consolidation;**

**Module II - Concept of economic group**

- Ways of developing companies;
- Participation and Control. Forms of calculation;
- Holding Companies (SGPS).

## Module III - Consolidation Optics

- Economic;
- Financial;
- Economic-Financial or Mixed;
- Owner's.

## Module IV - Consolidation Methods

- Integral, Total or Global;
- Proportional;
- Equity Method;
- Business Combination.

## Module V - Consolidation Techniques

- Direct, ascending or descending;
- Indirect or cascading.

## Module VI - Consolidation operations

- Financial Operations:
  - Consolidation Differences and Minority Interests;
- Commercial or Intra-Group Operations:
  - Unrealized Results;
  - Deferred Taxes.

## Module VII - Consolidation of accounts of companies with reciprocal/cross financial holdings

- "Simple" reciprocal financial participations;
- "Complex" reciprocal financial participations.

## Module VIII - Pre-consolidation work

- Determination of the Consolidation Perimeter
- Choice of Consolidation techniques and methods
- Adjustments and reclassification of accounts
- Date of the Financial Statements to be consolidated

- Conversion of DF's in foreign currency
  - Evolutionary Summary of the Translation Methods
  - Currency Translation Methods
    - Current/Non-current
    - Monetary/Non-monetary;
    - Historical or Temporal;
    - Current, Closing or Year-end.
- The North American and European translation standards: FAS 8; FAS 52 and IAS 21;
- Choice of translation methods.

## **Module IX - The Accounts Consolidation Manual**

## **Module X - The consolidation of accounts in Portugal and its legal framework**

- Decree-Law 238/91 of July 2nd;
- 7th Community Directive (83/349/EEC of June 13th).

## **Module XI - The consolidation of accounts at an international level**

## **Module XII - Fiscal consolidation;**

## **Module XIII - Case study.**