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**International  
Accounting Standards  
Board**

*This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.*

*These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.*

## **INFORMATION FOR OBSERVERS**

**Board Meeting:** 21 September 2006, London

**Project:** Conceptual Framework

**Subject:** Reporting Entity (Agenda Paper 5A, Appendix)

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## **Appendix**

### **Example of potential groupings of entities**

During the FASB education session on 13 September, FASB members discussed an example of a parent entity with two subsidiaries. They discussed various combinations of entities within the group and whether a particular combination could be the subject matter of GPEFR. Below is a list of those combinations:

- (a) Parent + Sub A + Sub B (under View 1 and View 2, this would be described as Parent including Sub A and Sub B)
- (b) Parent-only, i.e. with Sub A and Sub B reported as investments, rather than the underlying assets, liabilities and activities of the subsidiaries.
- (c) Parent + investment in Sub A + Sub B (ie consolidate Sub B but not Sub A)
- (d) Parent + Sub A + investment in Sub B (ie consolidate Sub A but not Sub B)
- (e) Sub A + Sub B (i.e. combining Sub A and Sub B without the parent)
- (f) Sub A
- (g) Sub B

The last two items listed above (Sub A and Sub B) are an individual entity, not a group entity. Therefore, the Board discussion will focus on the first five potential groupings of entities.

**Example of larger group**

