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Common mistakes made by companies during group consolidation

Most common mistakes made by companies under **IFRS 10**

- Incorrect Assessment of Control
- Not Eliminating Intercompany Transactions
- Incorrect Calculation of Non-Controlling Interest (NCI)
- Not Recognizing Goodwill Properly
- Failure to Eliminate Intercompany Balances
- Incorrect Treatment of Dividends Within the Group
- Not Adjusting for Uniform Accounting Policies
- Incorrect Foreign Currency Translation
- Ignoring Step Acquisitions or Partial Disposals

Key implications of incorrect consolidation:

- **Misstated financials** – Assets, liabilities, revenue, and profits may be incorrectly reported.
- **Incorrect profit reporting** – Intercompany transactions not eliminated can inflate revenue or income.
- **Equity errors** – Non-controlling interest and retained earnings may be inaccurate.
- **IFRS non-compliance** – Breach of IFRS 10 requirements.
- **Audit and reputational risk** – May lead to audit qualifications, restatements, and reduced stakeholder confidence.

Please share your suggestions and feedback at
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