

(a)	(c)	Group Statement of Financial Position y/e 31 Dec 2015				
€528,000	Note	Karuna	Downa	Adj	Adj	Group
See W2		€'000	€'000	€'000	€'000	€'000
		<b>Non Current Assets</b>				
		PPE	2,500	1,400		3,900
		Investment in Downa	1,800	-	(1,800)	-
		Goodwill				408
			4,300	1,400	(1,800)	4,308
		<b>Current Assets</b>				
		Inventories	500	800	(96)	1,204
		TR	400	900	(160)	1,140
		Cash	690	260		950
			1,590	1,960	(256)	3,294
		<b>Total Assets</b>	<b>5,890</b>	<b>3,360</b>	<b>(2,056)</b>	<b>7,602</b>
		<b>Equity &amp; Liabilities</b>				
		<b>Equity</b>				
		OSC	2,000	400	(400)	2,000
		SP	200	200	(200)	200
		REV RES	400	200		480
		RET E	2,090	1,840		2,634
			4,690	2,640	(600)	5,314
		Non Controlling Interest W2				528
		<b>Total Equity</b>	<b>4,690</b>	<b>2,640</b>	<b>(600)</b>	<b>5,842</b>
		<b>Current Liabilities</b>				
		TP	1,200	720	(160)	1,760
		<b>Total Equity &amp; Liabilities</b>	<b>5,890</b>	<b>3,360</b>	<b>(760)</b>	<b>7,602</b>

(b)  
€408,000  
See W1

W1	Goodwill		
	Total	Parent	NCI
Consideration/Value	2,148,000	1,800,000	348,000
FV of NA @ Acq			
OSC	400,000		
Share Prem.	200,000		
Ret Earnings	100,000		
Rev. Res.	1,040,000		
	1,740,000	1,392,000	348,000
		80%	20%
<b>Goodwill</b>	<b>408,000</b>	<b>408,000</b>	<b>-</b>

W2	Non Controlling Interest		
Value @ Acquisition (W1)		348,000	
Post Acq Profits (1/4 - 31/12)	800,000		(1,840,000-1,040,000)
Unrealised Profit Adj			Not in Sub's accounts - Parent selling to Sub
	800,000		
NCI Share		160,000	20%
Post Acq Reval Gains	100,000		(200,000-100,000)
NCI Share		20,000	20%
<b>NCI @ Y/E</b>		<b>528,000</b>	

W3	Group Retained Earnings		
Parent Retained Earnings @ Y/e		2,090,000	
Unrealised Profit Adjustment		(96,000)	
Updated Post Acq Porfits (as W2)	800,000		
Parent Share		640,000	80%
<b>Group Retained Earnings</b>		<b>2,634,000</b>	

W4	Group Revaluation Reserve		
Parent Reval. Reserve @ Y/e		400,000	
Post Acq Reval Gains	100,000		(200,000-100,000)
NCI Share		80,000	80%
<b>Group Revaluation Reserve</b>		<b>480,000</b>	

**Appendix - Workings (Journals not required but useful to understand)**

(1)

DR Ret E (Karuna)	96,000	=240,000*40%	Put in Ret E calculation
CR Inventory	96,000	Put in adjustment column	
Unrealised Profit on Intra Group Trading			
Parent selling to Sub			

(2)

D has liability of	160,000	
K has debtor of	160,000	
Difference	-	
DR TP	160,000	Put in adjustment column
CR TR	160,000	Put in adjustment column
Removal of Intra Group Balances		

**Suggested Approach - Columnar**

- Step 1 Read requirements + background information to case
- Step 2 Briefly review all notes to question to (i) assess links between notes; (ii) reconcile information to table of numbers; (iii) note key dates (e.g. mid year acq.); and (iv) identify group structure
- Step 3 Leave enough space at start based on requirements (e.g. 1-2pgs SOFP - Note layout of FR IA Booklet)
- Step 4 Set up CSOFP column structure (5 columns - P, S, Adjx2 & G) and populate Parent & Sub SOFP balances
- Step 5 Start an appendix for your key workings (goodwill, NCI, retained earnings and reval reserve (if any)) plus any smaller consolidation adjustments
- Step 6 Work down through the adjustments (remembering any links noted as per Step 2). Start with goodwill calculation. Fill in adjustment columns as you go.
- Step 7 Finalise all key workings and cross reference into the CSOFP (e.g. W1, W2 etc).
- Step 8 Populate CSOFP by adding across columns for remaining line items

**Note:** These are only high level steps for preparing the CSOFP only - with practice you will refine your own approach and can add in CSPLOCI & CSOCE

**Key Tips**

- Remember to put in adjustments in adjustment column as you go.
- Focus on key areas where bulk of marks will be going for - e.g. goodwill calc., NCI and consolidated retained earnings
- Don't try to perfect one line item to the detriment of other adjustments that could return more reward for your time
- Try various approaches to see which one suits you but then choose one and stick with it
- Presentation marks are available – don't throw them away

