(a) (c)	Group Statement of F	Group Statement of Financial Position y/e 31 Dec 2015								
€528,000		Note	Karuna		Adj	Adj	Group			
See W2			€'000	€'000	€'000	€'000	€'000			
	Non Current Assets									
	PPE		2,500	1,400			3,900			
	Investment in Downa		1,800	-	(1,800)		-			
	Goodwill	W1					408			
(b)			4,300	1,400	(1,800)	-	4,308			
€408,000	Current Assets									
See W1	Inventories		500	800	(96)		1,204			
	TR		400	900	(160)		1,140			
	Cash		690	260			950			
			1,590	1,960	(256)	-	3,294			
	Total Assets		5,890	3,360	(2,056)	-	7,602			
	Equity & Liabilities Equity									
	OSC		2,000	400	(400)		2,000			
	SP		200	200	(200)		200			
	REV RES	W4	400	200			480			
	RET E	W3	2,090	1,840			2,634			
			4,690	2,640	(600)	-	5,314			
	Non Controlling Intere	st W2					528			
	Total Equity		4,690	2,640	(600)	-	5,842			
	Current Liabilities									
	TP		1,200	720	(160)		1,760			
	Total Equity & Liabiliti	Total Equity & Liabilities			(760)	-	7,602			

W1 Good	will				
	Т	otal	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	<u>.</u>		
		1,740,000	1,392,000	348,000	
			80%	20%	
Goodwill		408,000	408,000	-	
Post Acq Profits		800,000			0-1,040,000)
Value @ Acqusiti	ion (W1)		348,000		
Post Aca Profits	(1/4 - 31/12)	800 000		(1.840.000	1-1 040 000)
Unrealised Profit		,			's accounts - Parent selling to Su
	_	800,000			g
NCI Share			160,000	20%	
Post Acq Reval G	ains	100,000		(200,000-1	100,000)
NCI Share			20,000	20%	
NCI @ Y/E			528,000		
W3 Grou	p Retained Earnir	ngs			
Parent Retained	0		2,090,000		
Unrealised Profit	,		(96,000)		
Updated Post Ac	q Porfits (as W2	800,000			
Parent Share			640,000	80%	
Group Retained	Earnings		2,634,000		
W4 Grou	p Revaluation Re	serve			

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

Post Acq Reval Gains

Group Revaluation Reserve

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, Adix2 & 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.

100,000

480,000

(200,000-100,000) 80%

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



(a)										Group Statement of Finance	cial Position y/e 31 Dec 20	
€528,000		Cost of Control			Goodwill			Inv in Downa		€'000	€'000	
See NCI T account	Inv. in Downa		320	COC	408		OBAL	1800 COC	1800	NCA		
		Share Prem	160							PPE (SOFPs) 3,900		
		Rev. Res.	80							Goodwill 408	4,308	
		Ret. Earning	832 *									
		Goodwill	408		SOFP	408				CA		
(b)		1800	1800		408	408		1800	1800	Inventories 1,204		
€408,000	* €1,040,000	* 80%								TR 1,140		
See COC/Goodwill T accounts		Share Capital			Share Premium			NCI		Cash (SOFPs) 950	3,294	
	COC	320 K	2000	COC	160 K	200		Share Cap	80	Total Assets	7,602	
	NCI	80 D	400	NCI	40 D	200		Share Prem	40	•		
(c)								Rev. Res.	20			
See right hand side for SOFP								Ret. Earnin		Equity & Liabilities		
0								W3	160	Equity		
	SOFP	2000		SOFP	200		SOFP	528 W4	20	OSC 2,000		
			2400		400	400		528	528	SP 200		
										Reval. Reserve 480		
		Ret E			Rev Res.			Inventories		Retained Earning: 2,634	5,314	
	COC		2090	coc	80 K	400	K	500 W1	96	netunied Eurinig. 2,034	3,314	
	NCI		1840	NCI	20 D	200	D	800	50	NCI	<u>528</u>	
	W1	96	1040	W4	20 0	200	D	800		Total Equity	5,842	
	W3	160		VV-4	20					Total Equity	3,042	
	SOFP	2634		SOFP	480			SOFP	1204	Current Liabilities		
	3017		3930	3011	600	600			1300	TP	1,760	
			3930			000		1300	1300	15	1,700	
		TR			TP					Tatal Caulty O Liabilities	7.003	
										Total Equity & Liabilities	7,602	
	K	400 W2	160	W2	160 K	1200						
	D	900			D	720						
			1140	SOFP	1,760							
		1300	1300		1920	1920						
Appendix - Working Journals												
(1)		(3)										
DR Ret E (Karuna) 96,000	=240,000*40%	Allocate NCI their share of pos				Suggested App	oroach - T Ac	counts				
CR Inventory	96,000	Post acquisition profits		0 (1840-1	040)							
		NCI Share 20% 160,000			Step 1 Read requirements + background information to case							
Unrealised Profit on Intra Group Tradi	a Group Trading Step 2 Briefly review all notes to question to (i) assess links between notes; (ii) reconcile information to table of r						rmation to table of numbe					

Parent selling to Sub thus 100% impact in Retained Earnings

DR Ret Earnings

160,000

20,000

CR NCI

160,000

No need to adjust for unrealised profit as already accounted for as per W1

(2)

Difference

D has liability of K has debtor of

160,000

160,000

Post revaluation gains 100,000 20,000

NCI Share 20%

DR TP 160,000

CR TR 160,000

Removal of Intra Group Balances

Allocate NCI their share of post acqusition revaluation gains (200-100)

DR Revaluation Reserv 20,000

CR NCI

(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 Open up key T accounts (e.g. Goodwill, NCI, Retained Earnings, Ord. Share Cap) and populate parent and sub balances from SOFPs

Step 5 Start an appendix for workings (start with Cost of Control) and work down through (Remembering any links noted as per Step 2).

Step 6 Once all adjustments in question are complete, allocate the appropriate share of post-acq profits (and reval gains) to NCI

Step 7 Tot up T accounts and populate CSOFP - some line items will not need a T account and you can just add parent & sub balances

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

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

