

2) ACQⁿ OF ALBERT'S 20% STAKE (RS'1000)

i) 10% ACQ^m

$$\text{CONSIDERATION} = \frac{2,738}{20\%} \times 10\% \times 1.3 = 1,779.7$$

$$\text{REDUCTION IN NCE} = \frac{2,738}{20\%} \times 10\% = 1,369$$

(GAIN) / LOSS

410.7

ACCOUNTS PAYABLE	-	NCE	DR	1,369
		BANK	CR	1,779.7
		P/E	DR	410.7

2) 20% ACQⁿ OR ACQⁿ OF TOTAL NCE

$$\text{CONSIDERATION} = 2,738 \times 1.3 = 3,559.4$$

(-) REDUCTION IN NCE

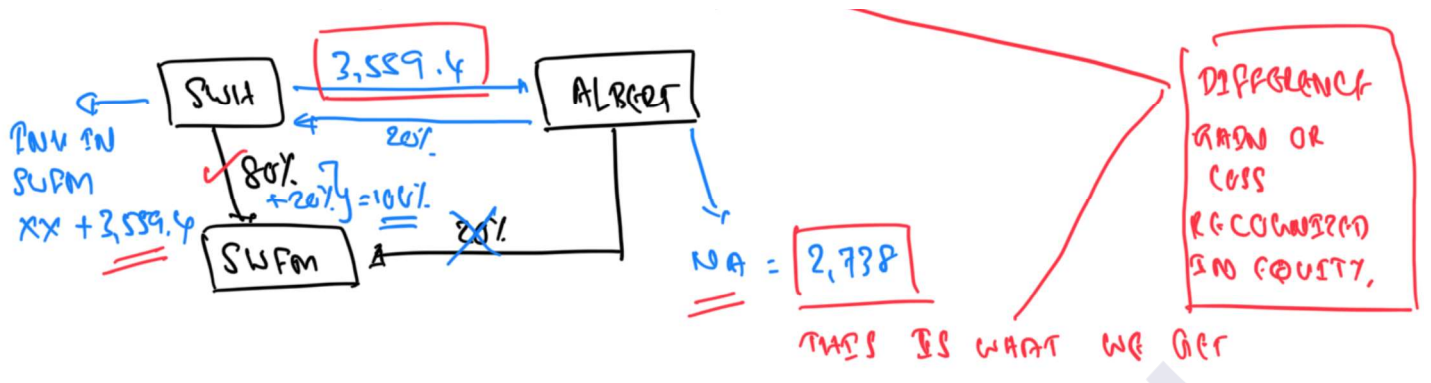
2,738

(GAIN) / LOSS

821.4

ACCOUNTS PAYABLE	-	NCE	DR	2,738
		INVESTMENT	CR	3,559.4
		P/E	DR	821.4

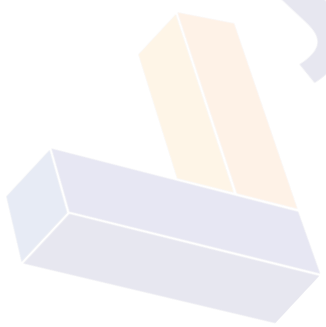
THIS IS WHAT WE PAY



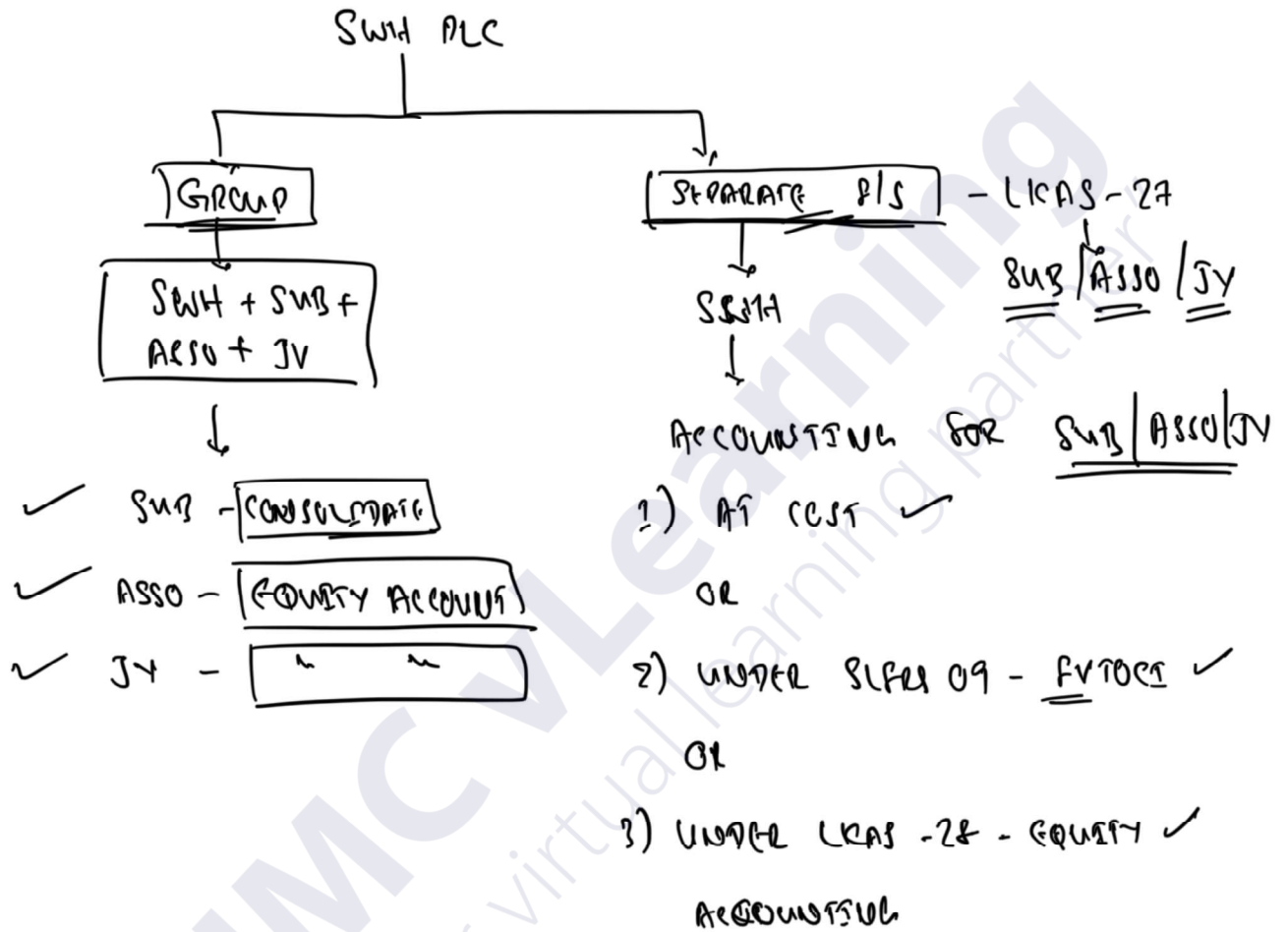
$P.W. > NA \rightarrow$ A P.W. \rightarrow BUT G.W. IS ONLY WHEN CONTROL IS ACQUIRED

As per SLFRS 10, when a parent acquires further in an existing subsidiary (acquisition of non controlling interest), the transaction is considered as a transaction between two shareholders. Hence, the difference between the price paid and the reduction in NCI is accounted as a gain or loss in retained earnings in the statement of changes in equity. This does not affect profit or loss or OCI.

Goodwill is calculated only when control is acquired and any further transaction after obtaining control does not give rise to goodwill. Therefore, Steewan's concern on whether the premium can be considered as goodwill is not correct as this is already a subsidiary of the Group. Hence, the premium paid will be accounted as a loss within retained earnings.

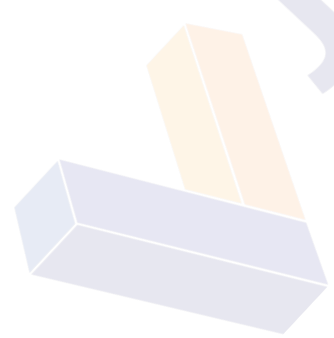


ACCOUNTING FOR INVESTMENT SUB IN SEPARATE PIS

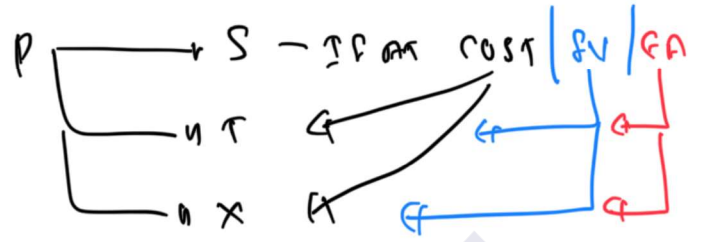


21/12/2022	PAT - 200	21/12/2023
711	$\frac{\text{XCD 0\%}}{200}$	CA
		711 + 200
		<u>911</u>

ACCOUNTING POLICY CHOICE
 WHEN YOU FOLLOW FOR ONE



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