



# Consolidated Financial Statement Complex Groups

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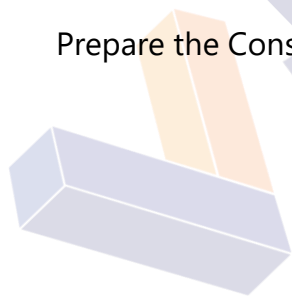
**Example 1****Subsidiary Acquired First (Amounts in Rs'000)**

As at 31st March 2012

	P Ltd	S Ltd	T Ltd
<b>Assets</b>			
PPE	12,000	5,000	4,000
Investment in S Ltd	6,000	-	-
Investment in T Ltd	-	2,000	-
<b>Current Assets</b>			
Inventories	2,000	300	1,700
<b>Total Assets</b>	<b>20,000</b>	<b>7,300</b>	<b>5,700</b>
<b>Equity and Liabilities</b>			
Stated Capital	11,000	2,000	1,000
Retained Earnings	5,000	2,500	1,000
<b>Current Liabilities</b>			
Trade Payables	4,000	2,800	3,700
<b>Total Equity and Liabilities</b>	<b>20,000</b>	<b>7,300</b>	<b>5,700</b>

- On 1-4-2009 S acquired 75% of S when S Ltd's retained earnings stood at 1000.
- On 1-4-2010 P acquired 60% in T when T Ltd's retained earnings stood at 600

Prepare the Consolidated Statement of Financial Position of P Ltd Group.



## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

Assets		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interest		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					
<b>Balance at year end</b>					

**Example 2****Sub-Subsidiary Acquired First (Amounts in Rs'000)**

As at 31st March 2012

	P Ltd	S Ltd	T Ltd
<b><u>Non Current Assets</u></b>			
PPE	15,000	5,000	4,000
Investment in S Ltd	8,000	-	-
Investment in T Ltd	-	2,000	-
Inventories	2,000	2,500	2,000
<b>Total Assets</b>	<b>25,000</b>	<b>9,500</b>	<b>6,000</b>
<b><u>Equity and Liabilities</u></b>			
Stated Capital	14,000	3,000	1,000
Retained Earnings	5,000	2,500	1,000
Liabilities	6,000	4,000	4,000
<b>Total Equity and Liabilities</b>	<b>25,000</b>	<b>9,500</b>	<b>6,000</b>

- On 1-4-2009 S acquired 80% of T when T Ltd's retained earnings stood at 400.
- On 1-4-2010 P acquired 60% in S when S Ltd's retained earnings stood at 800 and T Ltd's retained earnings stood at 600

Prepare the Consolidated Statement of Financial Position of P Ltd Group.



## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

Assets		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interesting		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

(In Rs.....)

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					
<b>Balance at year end</b>					

**Example 3****Mixed Groups (Amounts in Rs'000)**

As at 31st March 2012

	P Ltd	S Ltd	T Ltd
<b><u>Assets</u></b>			
PPE	12,000	6,000	4,000
Investment in S Ltd	6,000	-	-
Investment in T Ltd	1,200	800	-
<b><u>Current Assets</u></b>			
Inventories	800	500	1,700
<b>Total Assets</b>	<b>20,000</b>	<b>7,300</b>	<b>5,700</b>
<b><u>Equity and Liabilities</u></b>			
Stated Capital	11,000	2,000	1,000
Retained Earnings	5,000	2,500	1,000
<b><u>Current Liabilities</u></b>			
Trade Payables	4,000	2,800	3,700
<b>Total Equity and Liabilities</b>	<b>20,000</b>	<b>7,300</b>	<b>5,700</b>

- On 1-4-2009 P acquired 75% of S when S Ltd's retained earnings stood at 1000.
- On 1-4-2010 S acquired 20% and P acquired 40% in T when T Ltd's retained earnings stood at 600.

Prepare the Consolidated Statement of Financial Position of P Ltd Group.



## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

Assets		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interest		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

(In Rs.....)

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					
<b>Balance at year end</b>					

**Example 4****Mixed Groups (Amounts in Rs'000)**

As at 31st March 2012

	A Ltd	B Ltd	C Ltd	D Ltd
<b><u>Assets</u></b>				
PPE	12,000	5,000	1,000	5,000
Investment in B Ltd	6,000	-		-
Investment in C Ltd	600	1,200		-
Investment in D Ltd	-	2,000	3,000	-
<b><u>Current Assets</u></b>				
Inventories	1,400	500	700	1,800
<b>Total Assets</b>	<b>20,000</b>	<b>8,700</b>	<b>4,700</b>	<b>6,800</b>
<b><u>Equity and Liabilities</u></b>				
Stated Capital	11,000	3,000	1,500	4,000
Retained Earnings	5,000	2,500	1,000	1,000
<b><u>Current Liabilities</u></b>				
Trade Payables	4,000	3,200	2,200	1,800
<b>Total Equity and Liabilities</b>	<b>20,000</b>	<b>8,700</b>	<b>4,700</b>	<b>6,800</b>

- On 1-4-2009 A acquired 60% of B when B Ltd's retained earnings stood at 1000.
- On 1-4-2010 B acquired 50% and A acquired 25% in C when C Ltd's retained earnings stood at 600.
- On 1-4-2011 B acquired 30% and C acquired 45% in D when D Ltd's retained earnings stood at 700

Prepare the Consolidated Statement of Financial Position of P Ltd Group.

## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

Assets		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interest		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

(In Rs.....)

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					
<b>Balance at year end</b>					

**Example 5****Step Acquisition – Investment to Subsidiary (Amounts in Rs'000)**

As at 31st March 2020

	P Ltd	S Ltd	T Ltd
<b><u>Assets</u></b>			
PPE	22,000	6,000	4,000
Investment in S Ltd	8,000	-	-
Investment in T Ltd	2,000	800	-
<b><u>Current Assets</u></b>			
Inventories	3,000	500	1,700
<b>Total Assets</b>	<b>35,000</b>	<b>7,300</b>	<b>5,700</b>
<b><u>Equity and Liabilities</u></b>			
Stated Capital	15,000	2,000	2,000
Retained Earnings	12,000	2,500	1,000
<b><u>Current Liabilities</u></b>			
Trade Payables	8,000	2,800	2,700
<b>Total Equity and Liabilities</b>	<b>35,000</b>	<b>7,300</b>	<b>5,700</b>

- On 1-4-2016 P acquired 10% of S for 1,000 when S Ltd's retained earnings stood at 500. On 1-4-2017 P limited acquired a further 45% for 7,000. On that date the Retained earnings of the acquiree was 1,200 and the fair value of the previous investment was 1,560.
- On 1-4-2018 S acquired 20% and P acquired 40% in T when T Ltd's retained earnings stood at 600.

Prepare the Consolidated Statement of Financial Position of P Ltd Group.

## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interesting		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

(In Rs.....)

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					



<b>Balance at year end</b>					
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**Example 6****Step Acquisition – Associate to Subsidiary (Amounts in Rs'000)**

As at 31st March 2020

	<b>P Ltd</b>	<b>S Ltd</b>	<b>T Ltd</b>
<b><u>Assets</u></b>			
PPE	22,000	3,000	4,000
Investment in S Ltd	6,000	-	-
Investment in T Ltd	1,000	4,000	-
<b><u>Current Assets</u></b>			
Inventories	3,000	500	1,700
<b>Total Assets</b>	<b>32,000</b>	<b>7,500</b>	<b>5,700</b>
<b><u>Equity and Liabilities</u></b>			
Stated Capital	15,000	2,000	4,000
Retained Earnings	12,000	2,500	1,000
<b><u>Current Liabilities</u></b>			
Trade Payables	5,000	3,000	700
<b>Total Equity and Liabilities</b>	<b>32,000</b>	<b>7,500</b>	<b>5,700</b>

- On 1-4-2016 P acquired 25% of S when S Ltd's retained earnings stood at 1000 at a price of 2,000. On 30-9-2016 P acquired a further 40% when the retained earnings was 1300. The fair value of the existing investment was 2,500
  - On 1-4-2017 S limited acquired 45% in T for 4,000. On that date the Retained earnings of the acquired was 300. P also acquired 10% in T on the same date
- Prepare the Consolidated Statement of Financial Position of P Ltd Group.

## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

Assets		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interest		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

(In Rs.....)

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					
<b>Balance at year end</b>					



**Example 7****Increase in % holding after becoming a Subsidiary (Amounts in Rs'000)**

As at 31st March 2020

	P Ltd	S Ltd	T Ltd
<b>Assets</b>			
PPE	22,000	3,000	4,000
Investment in S Ltd	6,000	-	-
Investment in T Ltd	1,000	4,000	-
<b>Current Assets</b>			
Inventories	3,000	500	1,700
<b>Total Assets</b>	<b>32,000</b>	<b>7,500</b>	<b>5,700</b>
<b>Equity and Liabilities</b>			
Stated Capital	15,000	2,000	4,000
Retained Earnings	12,000	2,500	1,000
<b>Current Liabilities</b>			
Trade Payables	5,000	3,000	700
<b>Total Equity and Liabilities</b>	<b>32,000</b>	<b>7,500</b>	<b>5,700</b>

- On 1-4-2016 P acquired 30% of S for 1,500 when S Ltd's retained earnings stood at 500. On 1-4-2017 P limited acquired a further 40% for 3,500. On that date the Retained earnings of the acquired was 1,200 and the fair value of the previous investment was 1,800. On 30-9-2017 P acquired a further 10% in S for 1,000. On that date the Fair value of the previous investments were 6,500 and the retained earnings stood at 1,600
- On 1-4-2018 S acquired 40% and P acquired 20% in T when T Ltd's retained earnings stood at 600.

Prepare the Consolidated Statement of Financial Position of P Ltd Group.

## Working 1

### Acquisition information summary and Group structure

..... Ltd

Statement of Financial Position

As at ..... (in Rs.....)

Assets		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		
Goodwill		
Current Assets		
<b>Total Assets</b>		
<b>Equity</b>		
Stated Capital		
Retained Earning		
<b>Equity attributable to parent company shareholders</b>		
Non-Controlling Interest		
<b>Total Equity</b>		
Liabilities		
<b>Total Equity and Liabilities</b>		

## Working 2

### Consolidation

(In Rs.....)

Description	Goodwill Calculation	NCI	Goodwill Calculation	NCI	Group Retained Earnings
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Subsidiary – Post acquisition					
Investment					
+ NCI					
(-) Net Assets					
Goodwill on acquisition date					
Retained Earnings of Parent - Year End					
<b>Balance at year end</b>					

