

DIVIDENDS IN THE CONSOLIDATED BALANCE SHEET

If a subsidiary proposes a dividend, the effects will be :

(a) Subsidiary company's books

DR	P @ L A/C	X	
CR	Dividend Creditor		X

With the dividend payable

(b) Parent company's books

DR	Dividend Debtor	X	
CR	P @ L A/C		X

With the parent's share of the dividend receivable from the subsidiary

(c) Consolidation Adjustment

The dividend debtor in P's books should be cancelled out against the dividend creditor in S's books.

Any balance on the dividend creditor of the subsidiary company represents the dividend owed to the minority shareholders.