

Roller Ltd

Balance sheets at 30 June 19X0

	Roller Ltd		Steam Ltd	
	£	£	£	£
Fixed assets				
Tangible assets		16,720		4,900
Investments		5,295		-
		<u>22,015</u>		<u>4,900</u>
Current assets				
Stocks	1,188		879	
Debtors	1,801		262	
Current account				
- Roller Ltd	-		300	
Cash	34		93	
		<u>3,023</u>		<u>1,539</u>
Creditors: Amounts falling due within one year	5,614		863	
		<u>(2,591)</u>		<u>676</u>
Net current (liabilities)/assets				
Total assets less current liabilities		19,424		5,576
Creditors: Amounts falling due after more than one year		(5,646)		(1,382)
		<u>13,778</u>		<u>4,194</u>
Capital and reserves				
Called-up share capital (£1 ordinary shares)	2,500		1,500	
Share premium account	600		500	
Revaluation reserve	4,572		-	
Profit and loss account	6,106		2,194	
		<u>13,778</u>		<u>4,194</u>

- (1) On 1 July 19W9 Roller Ltd acquired 1,275 shares in Steam Ltd for £5,295 cash, when Steam Ltd's profit and loss account stood at £1,000 and share premium account, £500.
- (2) During the year Roller Ltd sold £900 of goods to Steam Ltd being cost plus 25%. Of these goods an estimated 65% remain in Steam Ltd's stock at the year-end.
- (3) A cheque for £300 from Roller Ltd to Steam Ltd, sent before 30 June 19X0, was not received by the latter company until July 19X0.

Required

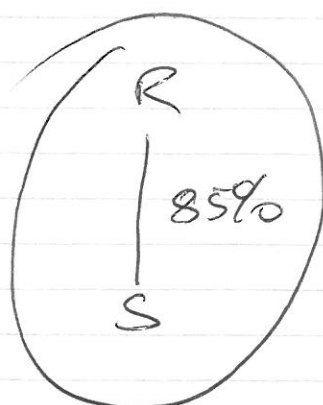
Prepare the consolidated balance sheet of Roller Ltd at 30 June 19X0.

N.B.

Goodwill on consolidation is to be amortised over a period of 5 years.

Roller Ltd

(W1)



$$\frac{1275}{1500} = 85\%$$

(W2) NET ASSETS OF SEARM LTD

	At Acq ⁿ £	At 31/5 DATE £
Share capital	1500	1500
Share premium	500	500
PTC Account	1000	2194
	<u>3000</u>	<u>4194</u>

(W3) UNREALISED PROFIT ON STOCK

$$UNP = 900 \times \frac{25}{125} \times 65\% = \underline{117}$$

DR PTC ACC (group) 117

CR Stock (b/s) 117

(W4) CABLE IN TRANSIT

DR BANK

£ 300

CR Inter-co Debtor with Polior

£ 300

CONSOLIDATION SCHEDULES

1/ GOODWILL

Cost of Investment

5295

less:

share of net assets acquired
(85% × 3000) (W2)

(2550)

Goodwill

2745

less: amortised to date (1/5 × 2745)

(549)

Intangible Asset

2196

2/ MINORITY INTEREST

$$= 15\% \times 4194 =$$

629

3/ CONSOLIDATED P+L A/C Reserve

Roller

6106

STEAM:

share

of post-acqⁿ profits
85% (2194 - 1000) (W2)

1015

less: UVP on stock

(117)

less: goodwill amortised to date

(549)

6455

CONSOLIDATED BALANCE SHEET AT 30-6-20

	£	£
INTANGIBLE Fixed ASSETS: goodwill (Sch 1)		2196
TANGIBLE Fixed ASSETS (16720 + 4900)		21620
		<u>23816</u>
CURRENT ASSETS:		
Stocks (1188 + 879 - 117) (W3)	1950	
Debtors (1801 + 262)	2063	
Cash at Bank + In Hand (34 + 98 + 300) (W4)	432	
	<u>4445</u>	
CREDITORS < 1YR (5614 + 863)	(6477)	
Net Current Liabilities		<u>(2032)</u>
Total Assets less Current Liabilities		<u>21784</u>
CREDITORS > 1YR (5646 + 1382)		(7028)
		<u>14756</u>
Share capital		2500
Share premium		600
Revaluation reserve		4572
P + L Account (Sch 3)		6455
		<u>14127</u>
Minority interest (Sch 2)		629
		<u>14756</u>