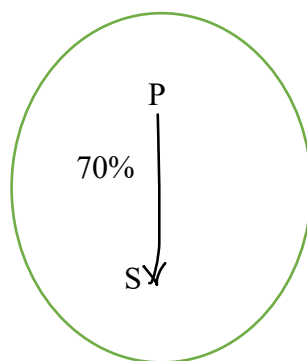


Answer:



W1 – Group structure:

$$\frac{P \text{-----} S}{101.5 / 145 = 0.70} \quad 70\%$$

W2- Net Assets of Shine Ltd:

	At acquisition (1-4-2011) £m	At B/S Date (31-03-2015) £m	
Share Capital	145	145	
P+C Account	110	260	
Fair Value.	26	26	(84- 58= 26)
Property Addn. Depreciation.	--	(8)	(26 x 4/13= 8)
Brand :			
Brand FV	16	16	
Addn.	---	(8)	(16 x 4/8 = 8)
	----- 297	----- 431	

W3 Unrealised Profit on Stock.

$$UNP = 60 \times 25/125 = 12$$

Dr. Group P&L a/c 12

Cr. Stock B/S 12

W4 Cash in transit

Dr Bank 15
Cr inter-Co debtor 15

Consolidation Schedules:

1- Goodwill:	
Cost of investment	268
Less: share of net assets acquired 70% x 297.	(207.9)

Goodwill	60.1
Less: Amortised to date (4/8 x 60.1)	(30.05)

Intangible Asset	30.05
2- Minority Interest:	
30% x 431	129.3
3- Consolidated P&L Reserve	
Prime P&L Reserve	130
Plus, Shine: Share of most – acquisition profit	
70% x (260 – 110)	105
Less: Unrealised profit on Stock	(12)
Less: Group share of Addn. Depn. &Amort	
[70% x (8+8)]=	(11.2)
Less: goodwill amortised to date	(30.05)

	181.75

Consolidated B/S At 31-03-2015

Intangible fixed assets

Goodwill	30.05	
Brands	8.0	

		38.05
Tangible fixed assets (520 + 280+ [26-8])	818.0	
Investment (77+40)		117.0

		973.05

Current Assets:

Stock (142 + 160 -12)	290	
Debtors (95 + 88 -15)	168	
Cash (8+22+15)	45	

	503	

Creditor <1 year	
Creditor (200+165)	(365)

Net Current Assets	138.0
 Total Assets less Current Liabilities	 1111.05
 Creditor > 1 year (180+20)	 (200)

	911.05
 Share capital	 500.0
Share Premium	100.0
Profit + Loss account	181.75

	781.75
 Minority Interest	 129.3

	911.05

