

Suggested Solution

Question 2

Part 1

\$000

Statements of Comprehensive Income Total

Profit for the year	540.1	W1
Other comprehensive Income		
FCTR	<u>-212.9</u>	W2
Total comprehensive Income	327.1	
Profit attributable to		
NCI	97.0	
Parent	443.1	
TCI attributable to		
NCI	49.0	
Parent	278.1	

Workings

W1

Profit Marange (Given)		150	1
Cerbone till 30 June 2015	(see AOE)	196.7854674	2
till 30 December 2015	(see AOE)	193.2714412	2
		<hr/> 540.0569087	

W2

Till 30 June 2015	(see AOE)	-113.4	1
Till 31 December 2010	(see AOE)	-84.8	1
Goodwill	(see W5)	-14.7	1
		<hr/> -212.9	

Part 2	Stated capital \$'000	(W3)	(W4)	NCI \$'000
		Retained Earnings \$'000	FCTR \$'000	
Opening balance (O/B)	3,741.0	725.8	249.9	308.6
TCI	0.0	443.1	-165.0	49.0
Exercise of share options	0.0	(see AOE) -7.5	0.0	385.5
Reclassification of FCTR	0.0	15.9	-15.9	0.0
Closing balance	3,741.0	1,177.3	69.0	743.1

W3 Retained Earnings

RE O/B			
Marange (Given)	450	1	
Settlement Loss (W6)	-26.67463099	1	
Cerbone (see AOE)	302.4784483	4	
	725.8038173		
RE TCI-Marange	150	1	
Cerbone-AOE (157.3+135.5)	293.0574555	2	
Exercise of share options	-9.2	5	
Reclassification of FCTR (See W4)	15.9	1	

W4 FCTR

FCTR O/B:			
AOE	220.4796087	3	
Goodwill (see W5)	29.46315138	1	
TCI:			
AOE (given)	-150.240308	2	
GW (see W5)	-14.73157569	1	
Reclassification: (see below)	-15.9		
FCTR O/B	220.4796087	1	
FCTR till 30 june 2015	-90.74943129	1	
	129.7301774		
129.73*(0.8-0.701/0.8)	-15.9	1	

Part 3 Goodwill that must be presented in the consolidated Statement of Financial Position for the Marange & Company group, for the year ended 31 December 2015

Goodwill (Cerbone)		
Consideration Given (74x 11.5)	851	
Settlement Loss (see W7)	-26.6746	2
NCI (see AOE) 177.8458 1		
NAV : (see AOE)	-889.229	
SC, RE		1
IA		4
DT		1
FCTR-BOY (see W5)	29.46315	1
FCTR CY (see W5)	-14.7316	1
	127.6737	
Goodwill (Musindo)		
PPE	1766	1
Intangible	600	1
Inventory	134	1
Goodwill	500	1(no DT)
Bank	3000	1
Total Goodwill (127.67+500) =	627.67	16

W5

Goodwill

Purchase consideration (74-2.32)	71.7	11.5	824.32
NCI	15.5	11.5	177.85
Less FV of ID net assets	-77.3	11.5	(889.23)
	9.8	11.5	112.94
FCTR on goodwill			29.46
	9.8	14.5	142.40
FCTR on goodwill			(14.73)
	9.8	13	127.67

Analysis of Owners' Equity

At acquisition	<u>CU'000</u>	<u>ER</u>	<u>\$'000</u>	<u>NCI</u>	<u>PARENT</u>
Share capital	30.0				
RE	40.0				
Intangible asset	9.9				
Deferred tax	-2.5				
	77.3	11.5	889.2	177.8	824.3
BOY					
RE movement (70-40)	30.0				
Amortisation	-1.2				
Deferred tax	0.3				
	29.1	13.0	378.1	75.6	302.5
FCTR			275.6	55.1	220.5
	106.4	14.5	1,542.9	308.6	1,347.3
CY					
Till 30 June 2015					
Profit	14.0	14.0	196.6	39.3	157.3
FCTR			-113.4	-22.7	-90.7
	120.5	13.5	1,626.1	325.2	1,413.8
Share issue	28.0	13.5	378.0	378.0	
Gain on change in holding				7.4	-7.4
	148.5	13.5	2,004.1	710.7	1,406.4
Till 31 December 2015					
Profit	14.0	13.8	193.1	57.6	135.5
FCTR			-84.8	-25.3	-59.5
	162.5	13.0	2,112.4	743.0	1,482.4