CHAPTER 6
CONSOLIDATION OF ASSOCIATED COMPANY
IAS – 28

Objective

The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Scope

This Standard shall be applied by all entities that are investors with joint control of, or significant influence over, an investee.

Definitions (Not given in previous chapters)

The following terms are used in this Standard with the meanings specified: -

An **associate** is an entity over which the investor has significant influence.

The **equity method** is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee and its share of other comprehensive income.

A **joint arrangement** is an arrangement of which two or more parties have joint control.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint venturer is a party to a joint venture that has joint control of that joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments of 20% to 50% in voting power of companies lead to existence of significant influence. The significant influence by an investor is usually evidenced in one or more of the following ways: -

a) Representation on the board of directors or equivalent governing body of the investee.
b) Participating in policy making process, including participation in decisions about dividends or other distributions.
c) Material transactions between the investor and the investee
d) Interchange of managerial personnel; or
e) Provision of essential technical information.

The existence of potential voting rights which are currently exercisable is also considered when assessing significant influence.

Accounting of Associate and Joint venture

An Associate or joint venture and should be accounted for in consolidated financial statement using **equity method;**

i.e. investment is

Initially recorded at cost;

a) Adjusted for post acquisition change in net assets (investor share); Or post acquisition profits/Losses (investor share);
b) The profit or loss of the investor includes the investor's share of the profit or loss of the investee and its share of other comprehensive income.
c) Dividend paid or distributions made will reduce the investment.
d) On acquisition any difference between the cost of investment and investor's share of net fair value of associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with IFRS-3.

- Goodwill relating to an associate is included in the carrying value of investment
- Any excess of the investor's share of net fair value of the associate's assets, liabilities and contingent liabilities over the cost of investment is excluded from the carrying value of investment and is included in the income statement of the year of acquisition.

f) Adjustments in investor's share of profit or loss after acquisition are made in respect of depreciation based on Fair Value.

g) If different reporting dates, adjust the effect of significant events between reporting dates;

h) The investor's financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances.

i) If the associate or the joint venture has cumulative preference shares then take the group share in profits after preference dividend irrespective of the fact that the associated company has declared or not.

j) If the investor's share of losses exceeds or equals its interest in associate or joint venture, the investor will discontinue the recognition of further losses. Additional losses can only be recognized if there exist any legal or constructive obligation

k) Impairment test will not be applied on goodwill under IAS-36 but on the entire amount of investment. After application of the equity method, including recognising the associate's or joint venture's losses, the entity applies IAS 39 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture.

Transaction between group and associate

	Item	Treatment
a)	Trading between group and associate	The profits or losses resulting from up-stream or down-stream transactions between an investor and associated or the joint venture are recognized in the investor's financial statements only to the extent of un-related investor's interest in associate or joint venture. The investors' share in the associate's profit and losses resulting from these transactions is eliminated.
b)	Loans between associates or joint ventures and the group	1) These should be disclosed separately, but: • If long term, they may appear in the same balance sheet section as "investment in associates or joint venture" • Otherwise they should appear as current assets or liabilities. 2) Loans to and from should not be netted off.
c)	Receivables and payables arising from trading transactions with associates or joint ventures	1) Include under respective current assets or liabilities without netting off. 2) Disclose separately if material.

An investment in an associate or a joint venture shall be accounted for using the equity method except when:

1) There is an evidence that the investment is acquired and held exclusively with a view to its disposal within twelve months from acquisition date(Then apply IFRS-5).

2) The exception in IFRS 10, allowing a parent that also has an investment in an associate or joint venture not to present consolidated financial statements, applies; or

3) All of the following apply:
   a. The investor is a wholly-owned subsidiary its other owners do not object if the investor does not apply the equity method;
   b. The investor's debt or equity instruments are not traded in a public market
   c. The investor did not file its financial statements with a securities commission, and
   d. The ultimate parent of the investor produces consolidated financial statements.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure investments in those associates and joint ventures at fair value through profit or loss in accordance with IFRS 9.

When an entity has an investment in an associate, a portion of which is held indirectly through a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that portion of the investment in the associate at fair value through profit or loss in accordance with IFRS 9 regardless of whether the venture capital organization, or the mutual fund, unit trust and similar entities including investment-linked insurance funds, has significant influence over that portion of the investment. If the entity makes that election, the entity shall apply the equity method to any remaining portion of its investment in an associate that is not held through a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds.

Classification as held for sale

An entity shall apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. After the disposal takes place, an entity shall account for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the entity uses the equity method.

When an investment or a portion of an investment, in an associate or a joint venture previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale shall be amended accordingly.

Discontinuing the use of the equity method

An entity shall discontinue the use of the equity method from the date when its investment ceases to be an associate or a joint venture as follows:

(a) If the investment becomes a subsidiary, the entity shall account for its investment in accordance with IFRS 3 Business Combinations and IFRS 10.

(b) If the retained interest in the former associate or joint venture is a financial asset, the entity shall measure the retained interest at fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The entity shall recognize in profit or loss any difference between:
   (i) the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture; and
   (ii) the carrying amount of the investment at the date the equity method was discontinued.

(c) When an entity discontinues the use of the equity method, the entity shall account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

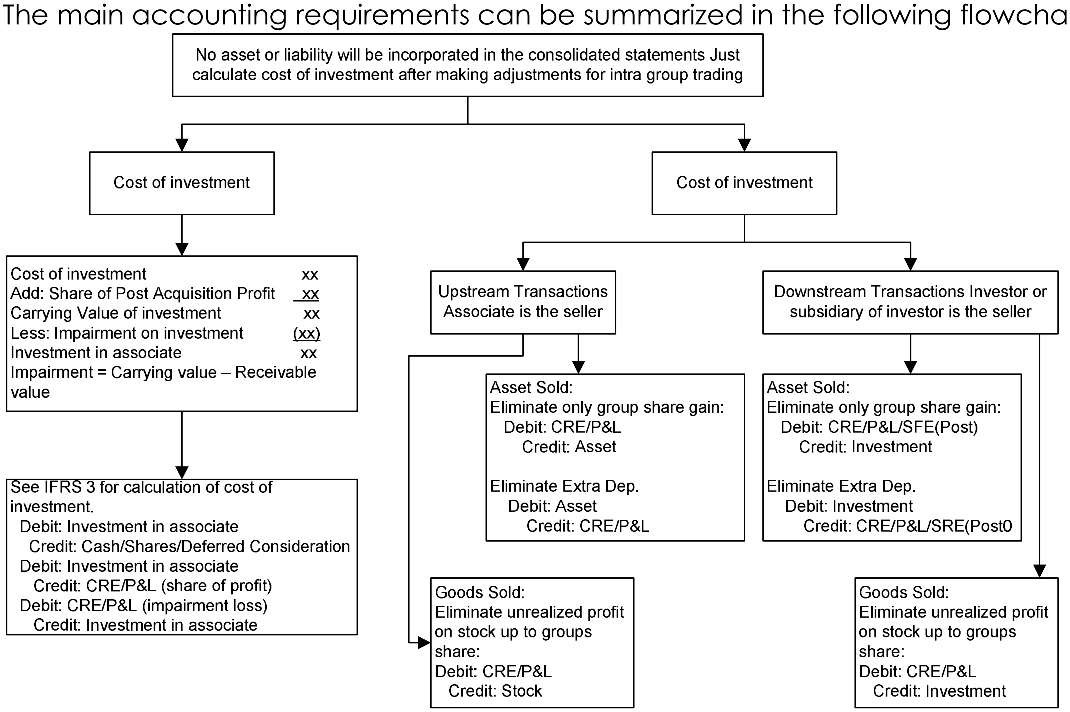
Therefore, if a gain or loss previously recognized in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. For example, if an associate or a joint venture has cumulative exchange differences relating to a foreign operation and the entity discontinues the use of the equity method, the entity shall reclassify to profit or loss the gain or loss that had previously been recognized in other comprehensive income in relation to the foreign operation.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not re-measure the retained interest.

Changes in ownership interest

If an entity's ownership interest in an associate or a joint venture is reduced, but the entity continues to apply the equity method, the entity shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The main accounting requirements can be summarized in the following flowchart.



Example -1

Leigh acquired 30% of the ordinary share capital of Handy, a public limited company on April 01 20x6. The purchase consideration was one million ordinary shares of Leigh which had a market value of Rs.2.5 per share at that date and the fair value of the net assets of Handy was Rs.9 million. The retained earnings of Handy were Rs. 4 million and other reserves of Handy were Rs. 3 million at that date. Leigh appointed two directors to the Board of Handy. The summarized financial position of Handy at 31 May 20x7 is as follows: -

	Rs. (m)	
Share capital of Rs. 1 each	2	
Other reserves		3

Retained earnings	5
Net assets	10

There had been no new issue of shares by Handy since the acquisition by Leigh and the estimated recoverable amount of the net assets of Handy at 31 May 20x7 was Rs. 11 million.
Required: - Discuss with suitable computations how the above situation should be accounted for under IAS -28 for the year ended May 31, 20x7?

Example- 2

A group has the following individual statement of financial positions at 31 December 20X8

	H Ltd	A Ltd		H Ltd	A Ltd
	Rs. 000s	Rs. 000s		Rs. 000s	Rs. 000s
Ordinary share capital			Share in A Ltd at cost (30%)	120	
(£1 shares)	1,000	200			
Revenue reserves	750	150	Sundry net assets	1,630	600
Debentures		250			
	1,750	600		1,750	600

The investment in A Ltd was acquired on 1 January 20X7 when A Ltd's revenue reserves amounted to Rs. 60,000.

Required consolidated statement of financial position?

Comprehensive example

Otway, a public Limited Company, acquired a subsidiary, Holgarth, on July 01, 20x2 and an associate, Betterbee, on January 01, 20x5. The details of the acquisition at the respective dates are as follows: -

Investment	Ordinary share capital	Reserves		Fair value of net assets at acquisition	Cost of investment	Ordinary share capital acquired
		Retained earnings	Share premium			
	Rs. 1each	Rs. (m)	Rs. (m)	Rs. (m)	Rs. (m)	Rs. (m)
Holgarth	**400**	**160**	**140**	**800**	**765**	**320**
Betterbee	**220**	**269**	**83**	**652**	**203**	**55**

The draft financial statements for the year ended June 30, 20x6 are: -

Statement of financial position as at June 30, 20x6	**Otway Rs. (m)**	**Holgarth Rs. (m)**	**Betterbee Rs. (m)**
Non-current assets			
Property, plant and equipment	1,012	920	442
Intangible assets		350	27
Investment in Holgarth	765	--	--
Investment in Betterbee	203	--	--
	1,980	1,270	469
Current assets			
Inventories	620	1,460	214
Trade receivables	950	529	330
Cash and cash equivalents	900	510	45
	2,470	2,499	589
	4,450	3,769	1,058
Equity			
Share capital	1,000	400	220
Share premium	200	140	83

Retained earnings	1,370	929	361
	2,570	1,469	664
Current liabilities			
Trade and other payables	1,880	2,300	394
	4,450	3,769	1,058

Statement of comprehensive income for the year ended June 30, 20x6	**Otway**	**Holgarth**	**Betterbee**
	Rs. (m)	**Rs. (m)**	**Rs. (m)**
Revenue	4,480	4,200	1,460
Cost of sales	(2,690)	(2,940)	(1,020)
Gross profit	1,790	1,260	440
Distribution and administrative cost	(620)	(290)	(196)
Finance cost	(50)	(80)	(24)
Dividend income	260	--	--
Profit before tax	1,380	890	220
Income tax expense	(330)	(274)	(72)
Profit for the year	1,050	616	148
Dividend paid for the year	250	300	80
Retained earnings brought forward	570	613	293

Additional information:

a) The Otway Group has the policy of measuring NCI at fair value at the date of acquisition and Fair Value of NCI was Rs. 210 million at the date of acquisition.

b) Neither Holgarth nor Betterbee had reserves other than retained earnings and share premium at the date of acquisition. Neither issued new shares since acquisition.

c) The fair value difference on the subsidiary relates to property, plant and equipment being depreciated through cost of sales over the remaining useful life of 10 years from the acquisition date. The fair value difference on the associate relates to a piece of land which has not been sold since acquisition.

d) Holgarth's intangible assets include Rs. 87 million of training and marketing cost incurred during the year ended June 30, 20x6. The directors of Holgarth believe that these should be capitalized as they relate to the startup period of a new business venture in Scotland, and intend to amortize the balance over five years from July 01, 20x6.

e) During the year ended June 30, 20x6 Holgarth sold goods to Otway for Rs. 1,300 million. The company makes a profit of 30% on the selling price. Rs. 140 million of these goods were held by Otway on June 30, 20x6 (Rs. 60 million on June 30, 20x5).

f) Otway sold goods worth Rs. 1,000 to Betterbee during the year by charging 25% margin on sales, 10% of the goods still remains unsold by Betterbee.

g) Annual impairment tests have indicated impairment losses of Rs. 100 million relating to the recognized goodwill of Holgarth including Rs. 25 million in the current year. The Otway group recognizes impairment losses on goodwill in cost of sales. No impairment losses to date have been necessary for the investment in Betterbee.

Required: -

Prepare the statement of comprehensive income and statement of changes in equity for the year ended June 30, 20x6 for the Otway Group and a statement of financial position at that date?

Past Papers

Q-1

Golden Limited (GL) is a listed company and has held shares in two companies, Yellow Limited (YL) and Black Limited (BL), since July 1, 2006. The details of acquisition of shares in these companies are as follows:

(A) GL acquired 18 million shares in YL at par, when YL's reserves were Rs. 24 million. The acquisition was made by issuing four shares in GL for every five shares in YL. The market price of GL's shares at July 1, 2006 was Rs. 20 per share. A fair value exercise was carried out for YL's assets and liabilities at the time of its acquisition with the following results:

	Book Value	**Fair Value**
	Rupees in million	
Land	170	192
Machines	25	45
Investments	3	6

The remaining life of machine on acquisition was 5 years. The fair values of the assets have not been accounted for in YL's financial statements.

(B) 6 million shares in BL were acquired for Rs. 12 per share in cash. At the date of acquisition, the reserves of BL stood at Rs. 40 million.

The summarized income statement of the three companies for the year ended June 30, 2008 is as follows:

	GL	**YL**	**BL**
		Rupees in million	
Sales	875	350	200
Cost of sales	(567)	(206)	(244)
Gross profit / (loss)	308	144	(44)
Selling expenses	(33)	(11)	(15)
Administrative expenses	(63)	(40)	(16)
Interest expenses	(30)	(22)	(15)
Other income	65	-	-
Profit/(loss) before tax	247	71	(90)
Income tax	(73)	(15)	8
Profit/(loss) for the period	174	56	(82)

The following relevant information is available:

(i) The share capital and reserves as at July 1, 2007 were as follows:

	GL	**YL**	**BL**
		Rupees in million	
Ordinary share capital of Rs. 10 each	600	200	150
Reserves	652	231	108

The share capital of all companies have remained unchanged since their incorporation.

(ii) During the year, GL sold goods amounting to Rs. 40 million to YL. The sales were made at a markup of 25% on cost. 30% of these goods were still in the inventories of YL at June 30, 2008.

(iii) GL manufactures a component used by BL. During the year, GL sold these components amounting to Rs. 20 million to BL. Transfers are made at cost plus 15%. BL held Rs. 11.5 million of these components in inventories at June 30, 2008.

(iv) All assets are depreciated on straight line method.

(v) Other income includes dividend received from YL on April 15, 2008.

(vi) During the year, YL paid 20% cash dividend to its ordinary shareholders.

(vii) An impairment test was carried out on June 30, 2008 for the goodwill of YL and investments in BL, appearing in the consolidated financial statements. The test indicated that:

- goodwill of YL was impaired by 20%;
- due to recent losses, the fair value of investment in BL has been reduced to Rs.40 million.

No such impairment was required in previous years.

Required:

Prepare, in a format suitable for inclusion in the annual report, a consolidated income statement for the year ended June 30, 2008.

Q-2

T Limited, a public listed company, entered into an expansion program on July 1, 2004. On that date, the company purchased 80% of the share capital of Alpha Ltd and 40% of the share capital of Beta Ltd. For Alpha, T Ltd paid total consideration of Rs.25 million. This was settled by signing a loan agreement of Rs.20 million carrying interest at 7% payable semi-annually and the balance by issuing 200,000 ordinary shares of T Limited. Shares of Beta Ltd. were acquired by a 1 for 1 share exchange. The market value of T Limited's share at the date of acquisition was Rs 25. The yearend of all the companies is June 30.

Extracts from their balance sheets at June 30, 2005 are as under:

	T Ltd	**Alpha Ltd**	**Beta Ltd**
	Rs 000	**Rs 000**	**Rs 000**
Fixed Assets:			
Land	5,000	4,000	3,500
Building	8,000	6,000	5,500
Plant	22,400	14,000	12,000
Current Assets:			
Stocks	10,000	9,000	16,200
Trade debts	9,200	7,000	2,800
Cash	Nil	3,000	4,300
Share Capital and Reserves:			
Ordinary shares of Rs.10 each	10,000	20,000	25,000
Un-appropriated profits	20,000	15,000	4,500
Current liabilities:			
Creditors	12,000	5,300	13,600
Running finance	3,000	Nil	Nil
Taxation	9,600	2,700	1,200

The following further information is available:

- T Ltd. has not recorded the acquisition of the above investments nor the issue of new shares at the time of preparing the above balance sheet. However interest on loan of Rs.20 million has already been account for.
- The book values of the assets of Alpha Ltd. and Beta Ltd., at the date of acquisition, were considered to be a reasonable approximation of their fair values with the exception of fixed assets of Alpha Ltd. These were considered to have the following fair values.

Land	Rs. 5.0 million
Plant	Rs.16.0 million

The plant had a remaining life of 4 years at the time of acquisition.

- The profits of Alpha Ltd. and Beta Ltd., for the year ended June 30, 2005, as reported in their financial statements, were Rs.8 million and Rs. 2 million respectively. No dividends have been paid by any of the companies during the year.

Required: Prepare the Consolidated Balance Sheet of T Ltd. as at June 30, 2005?

Solution 2
T Limited Group
Consolidated statement of financial position
As at June 30, 2005

	Rs. (000)	Rs. (000)
Fixed assets		
Land (9,000+1,000)	10,000	
Building	14,000	
Plant (36,400-2667+667)	34,400	
Investment in associate	25,800	
Goodwill	4,734	88,934
Current assets		
Stock	19,000	
Trade debtors	16,200	
Cash	3,000	38,200
Total assets		127,134
Equity and Liabilities		
Equity		
Share capital (10,000+2,000+10,000)	22,000	
Share premium (3,000+15,000)	18,000	
Consolidated retained earnings	27,734	67,734
Non controlling interest		6,800
		74,534
Non- current liabilities		
Loan		20,000
Current liabilities		
Creditors	17,300	
Running finance	3,000	
Taxation	12,300	32,600
Total equity and liabilities		127,134

W-1 Group structure

	Alpha	Beta
	%	%
Group	80	40
NCI	20	--
	100	40

W-2 Cost of investment

Alpha Limited		
Loan notes	20,000	
Share capital	2,000	
Share premium	3,000	25,000

W-3 cost of investment in Associate

Share capital	10,000	

Share premium	15,000	25,000

W-4 cost of control account

Cost of invest	25,000	
Share of net assets		
Share capital	(16,000)	
Pre-acquisition reserves	(4,266)	
Goodwill		4,734

W-5 Non-controlling interest

Share capital	4,000	
Pre-acquisition reserves	1,067	
Post-acquisition reserves	1,733	6,800

W-6 Consolidated retained earnings

Parent company reserves	20,000	
Associated company	800	
Post-acquisition reserves	6,934	27,734

W-7 subsidiary reserves

	Pre	Post
Given	7,000	8,000
Fair value loss on plant	(2,667)	--
Fair value gain on land	1,000	--
Extra depreciation		667
	5,333	8,667
Group share	4,266	6,934
Non-controlling interest	1,067	1,733

W-8 Investment in associate

Cost of investment	25,000	
Share of post acquisition profit	800	25,800

W-9 Fair value loss on plant

Carrying value on the reporting date	14,000	
Carrying value on the acquisition date (14,000x4/3)=18,667	18,667	
Fair value at the acquisition date	16,000	(2,667)

W-10 Extra depreciation

2,667/4	667	

Solution Comprehensive example

OTWAY GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 20X6

	Rs. (m)	Rs. (m)
Non-current assets		
Property, plant and equipment (1,012+920+100-40)	1,992	
Intangible assets (350-87)	263	
Investment in associate	219.75	
Goodwill (125+50-100)	75	2,549.75
Current assets		
Inventories (620+1,460-42)	2,038	
Trade receivables (950+529)	1,479	
Cash and cash equivalents (900+510)	1,410	4,927
		7,476.75
Equity		
Share capital	1,000	
Share premium	200	
Consolidated retained earnings	1,786.75	2,986.75
Non controlling interest		310
		3,296.75
Current liabilities		
Trade and other payables (1,880+2,300)		4,180
		7,476.75

Otway Group

Consolidated statement of comprehensive income

For the year ended June 30, 20X6

Revenue	7,380
Cost of sales	(4,476)
Gross profit	2,904
Distribution and administrative cost	(910)
Finance cost	(130)
Profit before tax	1,864
Income tax expense	(604)
Profit for the year	1,260
Share of profit from associate	30.75
Net profit for the year	1,290.75
Attributable to: -	
Group	1,196.75
NCI	94
	1,290.75

W-1 Group structure	%	%
Group	80	25
NCI	20	--
	100	25

W-2 Goodwill-Group	Holgarth	Betterbee
Cost of investment	765	203
Share of net assets	(640)	(163)

Goodwill	125	40
W-3 Goodwill NCI		
Fair value of NCI	210	
Share of net assets	(160)	
Goodwill	50	
W-3 Fair value gain		
Fair value of net assets	800	652
Share capital	400	220
Retained earnings	160	269
Share premium	140	83
	700	572
Fair value gain	100	80
W-4 Opening retained earnings – Group		
Parent company	570	
Associated company	6	
Subsidiary share of profit	264	
	840	

W-5 opening retained earnings –Holgarth	Pre	Post
Brought forward	160	453
Fair value gain	100	-
Extra depreciation	-	(30)
Impairment loss on goodwill	-	(75)
URP on opening stock	-	(18)
	260	330
Group	208	264
NCI	52	66
W-6 Investment in associate		
Cost of investment	203	
Share of profit b/ f profit (293-269)x.25	6	
URP on stock	(6.25)	
Share of profit for the year	37	
Dividend received	(20)	
	219.75	
W-7 NCI opening		
Fair value at date of acquisition	210	
Post acquisition profit share b/ f	66	
	276	

W-7

	Otway Rs. (m)	Holgarth Rs. (m)	Adjustment Rs. (m)	Consolidated Rs. (m)
Revenue	4,480	4,200	(1,300)	7,380
Cost of sales	(2,690)	(2,940)	1,154	(4,476)
Gross profit	1,790	1,260	(146)	2,904
Distribution and administrative cost	(620)	(290)	-	(910)
Finance cost	(50)	(80)		(130)
Dividend income	260	--	(260)	
Profit before tax	1,380	890	(406)	1,864
Income tax expense	(330)	(274)	-	(604)
Profit for the year	1,050	616	(406)	1,260

Share of profit from associate (37-6.25)	-	-	30.75	30.75
Profit or loss for the year	1,050	616	(375.25)	1,290.75
Attributable to: -				
Group				1,196.75
NCI				94
				1,290.75

W-8 Adjusting entries

Cost of sale	10	
Opening retained earnings (Post)	30	
Property, plant and equipment		40
Property, plant and equipment	100	
Retained earnings -pre		100
Cost of sales	87	
Intangible assets		87
Sales	1,300	
Cost of sales		1,300
Cost of sales	42	
Closing stock		42
Opening retained –post	18	
Cost of sales		18
Profit and loss account/CRE	6.25	
Investment in associate		6.25
(1000x.25)x10%x.25		
Opening retained earnings-post	75	
Cost of sales	25	
Goodwill		100
Profit or loss account	240	
NCI	60	
Dividend		300
Profit or loss account	20	
Investment in associate		20

W-9 Adjusted profit

Profit after tax	616
Extra depreciation	(10)
Impairment loss on goodwill	(25)
Intangible asset	(87)
URP on closing stock	(42)
URP on opening stock	18
	470
NCI share @20%	94

OTWAY GROUP
CONSOLIDATED STATEMENT OF CHANGED IN EQUITY
FOR THE YEAR ENDED JUNE 30, 20X6

	Ordinary share capital	Share premium	Consolidated retained earnings	Total	NCI	Total
B / f	1,000	200	840	2,040	276	2,316
Total comp. income	-	-	1,196.75	1,196.75	94	1,290.75
Dividends			(250)	(250)	(60)	(310)
C/ d	1,000	200	1,786.75	2,986.75	310	3,296.75