

OmniPro Sample Simple Consolidation Checklist

Note the below checklist assumes Acquisition accounting is adopted as opposed to merger accounting

Step	Details	Comment	Done
1	Assess whether consolidated financial statements are required		
1a	Is the company a parent company?		
1b	Does the entity have the power over more than half the voting rights of an entity		
1c	Do the company have control or have the ability to exercise control over any other entity (whether that be a Limited company or not)		
1d	Does the entity hold a golden share which gives the entity the ability to control the composition of the board?		
1e	Does the entity have the power to govern the financial and operating policies of the entity by agreement or statute		
1f	Can the entity claim exemption under any of Section 293(1A) of Companies Act 2014 on the basis that the holding company qualifies for the small companies regime		
1g	Can the entity claim exemption under any of Section 298 -300 (i.e. where the ultimate financial statements are prepared by a company located in EEA and other companies)		
	If there answer to 1(f) or 1(g) is yes then there is no requirement to prepare consolidated financial statements		
Steps 2 to 10 - Collating information and inserting into consolidation schedule			
2	Assess whether the entity has an interest in an associate or joint venture entity, if so collate information for these entities		
3	Prepare/obtain the financial statements for each of the subsidiary entities		
3a	Assess whether all subsidiaries have the same year end date. If not ensure the reporting date of subsidiary is no more than 3 months from date of parent and adjust results for material transactions or events that arose or prepare updated interim financial statements		
3b	Where there was an acquisition during the period apportion the profit and loss results for the full year between the results pre and post acquisition to ensure that results post the date of acquisition (i.e. when control was acquired) are included in the consolidated financial statements		
3b(i)	If this applies input the results since the date of acquisition into the consolidation spreadsheet in in step 7 below.		
3c	Where there was an disposal during the period apportion the profit and loss results for the full year between the results pre and post acquisition to ensure that results pre the date of disposal (i.e. when control was lost - from start of period to date of disposal) are included in the consolidated financial statements		
3c(i)	If this applies input the results from the start of the period to the date of disposal into the consolidation spreadsheet in step 7 below.		
4	Prepare/obtain the financial statements for each of the associate and joint venture entities		
4a	Assess whether all associates/joint ventures have the same year end date. If not adjust accordingly		
5	Assess whether all subsidiaries/associates/joint ventures have uniform accounting policies - if not make adjustments to ensure they are in line with the group policy		

6	Where there are foreign subsidiaries which have a different functional currency to the parent company's presentational currency - retranslate from the foreign subsidiary		
6a	Retranslate the foreign operation at the average rate for the year and the balance sheet at the period end rate with any difference recognised in other comprehensive income. Use these figures for inclusion in Step 7 and 8 below		
7	Input the profit and loss account of each subsidiary and the parent company into a spreadsheet within each of the relevant line items in the financial statements		
8	Input the balance sheet of each subsidiary and the parent company into a spreadsheet within each of the relevant line items in the financial statements.		
8a	Ensure that the investments in each of the subsidiaries are shown as a separate line item in the spreadsheet so that a check can be completed to ensure the total amount included in consolidated financial statements has been reduced to nil after the elimination on consolidation		
8b	Ensure that the inter group debtors and creditors are show separately from the total debtors and creditors figures so that a check can be done to ensure they eliminate to zero at the end		
9	Tot all entities by line item together to get to the total result for the P&L and balance sheet before any consolidation adjustments are posted		
10	Set out the notes to the financial statements for each entity in each column in excel and total accordingly		
10a	Throughout ensure the consolidation journals are also reflected in these notes		
Steps 11 to 13 - Consolidation journals - Recognise goodwill, fair value adjustments & eliminate investment on balance sheet			
11	For acquisitions (other than new entities in the group which were incorporated in the year and therefore owned from inception) determine the fair value of the assets and liabilities acquired to determine the goodwill to recognise (goodwill = fair value of net assets acquired less cost of acquisition). Recognise deferred tax on any fair value adjustments other than on goodwill		
11a	Identify the acquirer		
11b	Identify the cost of the acquisition		
11c	Is the current acquisition just increasing a previous controlling interest - if so this no goodwill is recognised instead this is an equity transaction		
11c	If negative goodwill has been calculated - reassess all fair value calculations to ensure that negative goodwill makes sense. If it does recognise negative goodwill as a credit on the balance sheet and amortise over the life of the non-monetary assets to which they relate in line with Section 19 of FRS 102		
11d	Does the assets at the date of acquisition equal fair value - If not make adjustments to reflect market value (e.g. adjustments to reflect market value of fixed assets, investments, debtors etc.). Fair value is determined in the following way for each of the following categories:		
11d(i)	Contingent liabilities - amount a third party would ask to take on the risk		
11d(ii)	PPE - market price (ignore any government grants as these are valued separately)		
11d(iii)	Intangible assets - discounted cash flows or estimated costs avoided as a result of owning the intangible		
11d(iv)	Inventory - Finished goods = estimated selling price less costs of disposal and reasonable profit margin/ WIP = estimated selling price less costs of disposal less costs to complete and reasonable profit margin		

11d(v)	Investment in shares - market value based on discounted cash flows or market prices if available		
11d(vi)	Recognise any deferred tax on the fair value adjustments at acquisition (other than on goodwill)		
11d(vii)	Deferred revenue - fair valued only where the entity still has an obligation to perform tasks if the future, if not it is valued at nil.		
11d(viii)	Favourable/unfavourable contracts - recognise as asset or liability based on it being above or below market rate		
11e	Assess whether intangibles can be separated from goodwill. Where the intangible can be reliably measured then it must be separated from goodwill under FRS 102		
11f	Assess the pre-acquisition reserves (i.e. the P&L reserves at the date of acquisition), ordinary share capital/reserves as per the books and records of the acquired entity pre the date of transition		
11g	Assess whether Non-Controlling interest (NCI) needs to be recognised (i.e. assess if the subsidiary entity is part owned by a third party i.e. an entity outside the group), if so ascertain the NCI at the date of acquisition and at the year end date- At date of acquisition the NCI element is the % owned by NCI by the fair value of the entity at date of acquisition. Note where the parent has an option to purchase but has not exercise the option at year end then the % to apply to NCI is the actual % owned by NCI at that time		
11h	Ascertain the useful life of goodwill and intangibles and amortise from date of acquisition to period end date		
12	For entities that are preparing consolidated financial statements for the first time due to an exemption no longer being available -		
12a	Assess whether any goodwill is to be recognised at the date of acquisition and assess whether fair value adjustments are required at that date		
12b	Perform all of the procedures mentioned in Step 11a to 11g - however where the acquisition was pre date of transition to FRS 102 then the entity may claim the exemption in Section 35 of FRS 102 not to restate goodwill on acquisition to the rules under Section 19 of FRS 102 - instead the rules under old GAAP can be used - hence no need to assess if separate intangible required to be recognised		
12c	Determine the journals to be recognised to reflect what the carrying value of goodwill and the fair value adjustments would have been had Consolidated financial statements been prepared since each of the subsidiaries were acquired (post these to Group Profit and Loss Reserves B/f). Examples include:		
12c(i)	Amortisation on any goodwill and intangibles		
12c(ii)	Depreciation on any fair value adjustments		
12c(iii)	Reversal of any deferred tax recognised on any fair value adjustments		
12c(iv)	Reversal of any fair value adjustments		
12c(v)	Reversal on inter group profit on disposal of fixed assets and the unwinding of this		
12c(vi)	Where 100% of the voting rights are not held (and therefore Non-controlling interest exists), determine the non-controlling interests share of the equity at the start of the current period.		
13	Eliminate the investments on the balance sheets in each of the subsidiaries such that they come to nil in the spreadsheet and the share capital in the consolidated financial statements only shows the share capital/share premium/other reserves of the parent company		
13a	Recognise the goodwill calculation on the balance sheet and any Non-controlling interest as calculated in step 11 & 12 as applicable		
Steps 14 to 21 - Other Consolidation journals			

14	Post any consolidation journals required in the current year to recognise;		
14(i)	any additional depreciation or amortisation on any fair value adjustments made at the date of acquisition in the consolidated financial statements for the current period		
14(ii)	any reversal of fair value adjustments since the date of acquisition to the end of the current period if acquired in the period		
14(iii)	Amortisation on any goodwill and intangibles for the period		
14(iv)	Depreciation on any fair value adjustments on PPE for the period		
14(v)	Reversal of any deferred tax recognised on any fair value adjustments at date of acquisition		
14(vi)	Reversal of any fair value adjustments		
14(vii)	Reversal on inter group profit on disposal of fixed assets and the unwinding of this		
14(viii)	Where 100% of the voting rights are not held (and therefore Non-controlling interest exists), determine the non-controlling interests share of the equity at the start of the current period.		
14(ix)	If property is leased to another group company and classified as investment property as required under FRS 102 in the entity financial statements, reclassify this property from investment property to property plant and equipment less depreciation in the consolidation financial statements		
15	Eliminate intra-group sales and purchases		
15a	Identify inter company purchases/recharges and sales (transactions between group companies) and eliminate these transactions - ensure the other side of the transaction is set against the where the original expense/income has been recognised in the other entity		
15b	Were there fixed assets purchases and sales between group companies in the past? - If so eliminate the profit/loss recognised if any in the consolidated financial statements and reduce the depreciation on the uplifted amount (if disposal in prior years and asset still held post deferral of net profit earned to P&L reserves B/f net of the reversal for depreciation)		
15c	Eliminate out any inter-company dividends in each of the entities		
15e	Were there any sales/purchases of stock between group companies?		
15e(i)	If so - does the receiving entity hold this stock on the balance sheet at the period end date - If so eliminate the profit on the balance sheet and post debit to cost of sales. Consider if material the deferred tax impact as timing difference created as subsidiary entity holding stock will have been taxed in the year but in consolidated accounts income is taken out but will be reversed the following year when stock sold on		
15e(ii)	If so - does the receiving entity hold this stock on the balance sheet at the period end date - If not no further adjustments required		
16	Eliminate all intercompany debtors and creditors balances		
17	Was there inter-company profit eliminated in the prior year Consols e.g. on sale of stock to group companies which was still held on balance sheet in previous year. If so:		
17(i)	- bring forward the profit elimination from prior year and reverse the profit previously not permitted to cost of sales		
18	Assess whether deferred tax needs to be recognised on the income recognised in the consolidated financial statements which has yet to be dividended to the entity- only recognise deferred tax if taxable in the hands of parent when received, if no tax on dividend then no deferred tax. Deferred tax should not be recognised where the parent can control when the dividend will be received from the subsidiary or where it is probable it will not reverse.		

19	Where deferred tax recognised on fair value adjustments in the consol accounts at date of transition, reverse deferred tax for the unwinding the current period.		
20	Allocate the profit for the period between non-controlling interest and amounts attributable to the parent entity and show this in the financial statements		
21	In the capital and equity section of the balance sheet show the non-controlling interest separately from the equity attributable to the parent company		
Steps 11 to 30 - Accounting for associates/JV's - equity method			
22	For investments in associates and/or joint ventures account for these under the equity method of accounting.		
23	For associates acquired in the period determine the fair value of the net assets acquired so as to determine goodwill. Goodwill is not split out in the financial statements		
24	Take the results as obtained at step 4 above and multiply the percent owned by the group entity by the results for the period. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule which the other side of the journal recognised in the cost of the investment. If only acquired in the year only take the results for period since acquisition and if disposed of only take period from start of year to date of disposal		
25	If associate incurs a loss do not recognise this if the associate is in a net liability position as per the balance sheet		
26	Recognise amortisation on goodwill if any. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule.		
27	Recognise any depreciation on any fair value adjustments. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule.		
28	Reclassify any dividend income from the associate/JV from the consolidated P&L as included to the investment in the associate on the balance sheet		
29	Eliminate the groups element/% of any profit on goods sold by associate/JV which is included in stock of any other group companies at period end. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule with the other side set against the cost of the associate.		
30	Eliminate the groups element/% of any sales made to the associate/JV by the group entities which is included in stock of the associate/JV at period end		
Steps 31 to 36 - Final checks			
31	Number each consolidation journal and post the journal in the consolidation schedule with a reference to the journal to which it relates		
32	Have key to work done confirming the results of the subsidiaries as included in the consolidation schedule agree to the financial statements		
33	Ensure all intercompany balances eliminate to nil		
34	Ensure the notes in the financial statements tie to the Consolidation schedule		
35	Ensure the ordinary share, share premium and other reserves (other than the profit and loss reserves of the Group) agree to the share, share premium and other reserves of the parent Company		
36	For associates do a high level check to assess if the carrying amount of the associate in the Consols is similar to the net assets per its financial statements multiplied by the % owned by the group		

**Consolidated Profit and Loss Account
For the Year Ended 31 December 2015**

OmniPro Sample Consolidation Schedule

Year ended 31 December 2014

	Parent Co	Sub A	Sub B	Sub C	Sub D	Consolidation journals												Total									
						Jnl 1A	Jnl 1B	Jnl 1C	Jnl 1D	Jnl 2	Jnl 3	Jnl 4	Jnl 5	Jnl 6	Jnl 7	Jnl 8	Jnl 9		Jnl 10	Jnl 11	Jnl 12						
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014		
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	
Turnover	-	5,000,000	11,902,422	3,000,000	187,500					(100,000)	-	100,000														19,854,922	
Cost of sales	-	(4,000,000)	(8,117,700)	(2,500,000)	(93,750)					85,000		100,000	40,000														-14,462,450
Gross profit	0	1,000,000	3,784,722	500,000	93,750	0	0	0	0	-15,000	0	40,000	0	0	0	0	0	0	0	0	0	-21,000	10,000	0	0	5,392,472	
Distribution costs	-	(70,000)	(2,610,451)	-	-																						-2,680,451
Administrative expenses	-	(700,000)	(899,152)	(450,000)	(37,500)	(60,150)				(3,750)		(40,000)		4,000											(2,000)		-2,188,552
Income from participating interest	3,500	-	-	-	-																						0
Income from group undertakings	45,000	0	0	0																							-
Operating profit	48,500	230,000	275,119	50,000	56,250	-60,150	0	0	-3,750	-15,000	0	0	0	4,000	0	-45,000	-3,500	-21,000	10,000	0	0	-45,000	11,850	-21,000	10,000	-2,000	523,469
Share of profit in associate	-	0																									15,350
Interest receivable and similar income	-	2,000	22,422	800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14,222
Interest payable	-	(1,500)	(2,628)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-3,128
Profit before taxation	48,500	230,500	294,913	50,800	56,250	-60,150	0	0	-3,750	-15,000	0	0	0	4,000	0	-45,000	11,850	-21,000	10,000	0	0	-45,000	11,850	-21,000	10,000	-12,000	549,913
Taxation	-	(28,813)	(149,787)	6,350	-	3,500	-	-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,300		-163,950
Profit for the financial year	48,500	201,687	145,126	57,150	56,250	-56,650	0	0	-3,750	-13,500	0	0	0	4,000	0	-45,000	11,850	-21,000	10,000	0	0	-45,000	11,850	-21,000	10,000	-8,700	385,963
Other Comprehensive Income																											
Retranslation of goodwill on foreign operation	-	-	-	-						2,000																	2,000
Retranslation of foreign operation	0	0	0	0	15,000																						15,000
Share of other comprehensive of associate	0	0	0	0																							-1,750
Profit for the financial year	48,500	201,687	145,126	57,150	71,250	-56,650	-	-	-	1,750	-	-	-	4,000	-	-	45,000	11,850	-	21,000	10,000	-	8,700	-	-	402,963	
Profit for the financial year attributable to:																											
Non-controlling interests	0	0	0	0		(72,340)	-	57,150																			129,490
Owners of the parent company	0	0	0	0																							273,473
	-	-	-	-	-	72,340	-	57,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	402,963

**Consolidated Profit and Loss Account
For the Year Ended 31 December 2015**

	Parent Co	Sub A	Sub B	Sub C	Sub D	Consolidation journals											31-Dec						
						Jnl 1A	Jnl 1B	Jnl 1C	Jnl 1D	Jnl 2	Jnl 3	Jnl 4	Jnl 5	Jnl 6	Jnl 7	Jnl 8		Jnl 9	Jnl 10	Jnl 11	Jnl 11		
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€
Fixed assets																							
Intangible assets	-	244,749	244,749	-	21,250	60,000																	570,748
Tangible assets	-	800,000	1,645,891	450,000	102,000	120,000								(32,000)								88,000	3,173,891
Goodwill	-	-	-	-	-	201,200					38,250												239,450
Investment property	-	-	100,000	-	-	-																(100,000)	0
Financial assets																							0
Investment in Subsidiary A	828,175					608,175									(220,000)								0
Investment in Subsidiary B	100						(100)																0
Investment in Subsidiary C			1					(1)															0
Investment in Subsidiary D	160,000								(160,000)														0
Investment in Associate A	50,000																				10,100	(21,000)	39,100
	1,038,275	1,044,749	1,990,641	450,000	123,250	(226,975)	(100)	(1)	(121,750)	0	0	0	0	(32,000)	(220,000)	0	10,100	(21,000)	0	(12,000)	0	(12,000)	4,023,189
Current assets																							
Stocks	-	85,000	7,488,171	125,000	42,500	-				(15,000)													7,725,671
Debtors	-	81,938	6,708,321	45,000	38,250	-																	6,873,509
Intercompany debtors	10,000	60,000	-	-	-									(70,000)									0
Cash at bank and in hand	1,203,469	45,000	970,586	-	8,500																		2,227,555
	1,213,469	271,938	15,167,078	170,000	89,250	-	-	-	-	(15,000)	-	-	-	(70,000)	-	-	-	-	-	-	-	-	16,826,735
Creditors: amounts falling due within one year																							
Intercompany Creditors	-	(335,000)	(3,565,028)	(131,850)	(21,250)										70,000								(4,053,128)
	1,213,469	(123,062)	11,592,050	38,150	68,000	0	0	0	0	(15,000)	0	0	0	0	0	0	0	0	0	0	0	0	12,773,607
Total assets less current liabilities	2,251,744	921,687	13,582,691	488,150	191,250	(226,975)	(100)	(1)	(121,750)	(15,000)	0	0	0	(32,000)	(220,000)	0	10,100	(21,000)	0	(12,000)	0	(12,000)	16,796,796
Creditors: amounts falling due after more than one year																							(20,000)
Provision for liabilities	-	(45,000)	(10,000)	(1,000)	0	(18,000)				1,500													3,300
	2,251,744	876,687	13,552,691	487,150	191,250	(244,975)	(100)	(1)	(121,750)	(13,500)	0	0	0	(32,000)	(220,000)	0	10,100	(21,000)	0	(8,700)	0	(8,700)	16,707,596
Net Assets																							
Capital and reserves																							
Called up share capital	15,543	40,000	100	50,000	16,000	(40,000)	(100)	(50,000)	(16,000)														15,543
Share premium	1,527,615	10,000	-	20,000	-	(10,000)		(20,000)															1,527,615
Other reserves	-	-	20,000																				0
Capital contribution		20,000											20,000		(20,000)								0
Profit for the year	48,500	201,687	145,126	57,150	71,250	(128,990)	0	(57,150)	(1,750)	(13,500)	0	0	0	4,000	0	(45,000)	10,100	(21,000)	10,000	(8,700)			271,723
Dividend paid	-	(45,000)	0	0												45,000							0
Profit and loss account B/f	660,086	650,000	13,427,465	360,000	104,000	(580,900)		(290,000)	(104,000)					(36,000)	(142,222)					(10,000)			14,038,429
Equity attributable to owners of the parent company	2,251,744	876,687	13,552,691	487,150	191,250	(759,890)	(100)	(417,150)	(121,750)	(13,500)	0	0	0	(32,000)	(142,222)	0	10,100	(21,000)	0	(8,700)	0	(8,700)	15,853,310
Non Controlling interest						514,915		417,149							(77,778)								854,286
	2,251,744	876,687	13,552,691	487,150	191,250	(244,975)	(100)	(1)	(121,750)	(13,500)	0	0	0	(32,000)	(220,000)	0	10,100	(21,000)	0	(8,700)	0	(8,700)	16,707,596
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Consolidation Journals to support schedule
Year ended 31 December 2014

Jnl #	Details	Profit and Loss		Balance Sheet	
		Dr	Cr	Dr	Cr
1A	Dr Goodwill			251,500	
	Dr Ordinary Share Capital of Subsidiary A			40,000	
	Dr Share Premium of Subsidiary A			10,000	
	Dr Profit and Loss Reserves (i.e. profit and loss reserves in existence at date of acquisition)			360,000	
	Dr Property, plant and equipment			150,000	
	Dr Intangible Assets			100,000	
	Dr Inventory			10,000	
	Dr Debtors			5,000	
	Cr Investment in the Individual Entity Financial Statements of Parent Co				608,175
	Cr Deferred tax				26,500
	Cr Non-Controlling Interest in Equity (i.e. fair value of net assets of subsidiary at the date of acquisition * 45% owned at date of acquisition)				291,825
	Being journal to recognise goodwill and fair values at the date of acquisition of Subsidiary A and eliminate the investment on the parent balance sheet				
	Dr Profit and Loss Reserves - Group			70,150	
	Dr Deferred tax on balance sheet			5,000	
	Cr Property, plant and equipment – accumulated depreciation				15,000
	Cr Intangible asset accumulated amortisation				20,000
	Cr Goodwill accumulated amortisation				25,150
	Cr Inventory				10,000
	Cr Debtors				5,000
	Being journal to recognise the accumulated amortisation, depreciation and related deferred tax on fair value adjustments from date of acquisition of Subsidiary A to start of current year				
	Dr Group Profit and Loss Reserves B/f			150,750	
	Cr Non-controlling Interest ((profit & loss reserves per entity books at start of year of €650,000 less P&L reserves at date of acquisition of €360,000 plus adjustments of €70,150- goodwill amortisation of €25,150 charged since acquisition) * 45%)				150,750
	Being journal to reflect the correct amount in NCI at the start of the current year				
	Dr Amortisation of Intangibles in P&L - Administrative expenses	20,000			
	Dr Amortisation of Goodwill in P&L - Administrative expenses	25,150			
	Cr Accumulated Amortisation of Intangibles				20,000
	Cr Accumulated Amortisation of Goodwill				25,150
	Being journal to reflect amortisation on goodwill and intangibles recognised on acquisition of Subsidiary A in the consolidated financial statements for current year.				
	Dr Depreciation on PPE in P&L - Administrative expenses	15,000			
	Cr Accumulated Depreciation on PPE				15,000
	Being journal to reflect the depreciation on the fair value adjustment to PPE on acquisition of Subsidiary A for current year				
	Dr Deferred Tax Liability			3,500	
	Cr Deferred tax in P&L ((CU35,000*10%))		3,500		
	Being journal to reflect the reversal of deferred tax recognised at acquisition of Subsidiary A to match depreciation/amortisation posted on fair value differences for the current year (other than on goodwill amortisation as deferred tax not previously recognised on this)				
	Dr Group Profit and Loss Reserves			72,340	
	Cr Non-controlling Interest ((€201,687 + €4,000 for reduction in depreciation + 1,000 for interest expense reduction) * 35%)				72,340
	Being journal to reflect the transfer of the NCI portion of the result for the period				

1B	Dr Ordinary Share Capital of Subsidiary B	100	
	Cr Investment in the Individual Entity Financial Statements of Parent Co		100
	Being journal to derecognise the investment in Subsidiary B from the parent balance sheet		
1C	Dr Ordinary Share Capital of Subsidiary C	50,000	
	Dr Share Premium	20,000	
	Dr Profit and Loss Reserves (i.e. profit and loss reserves in existence at date of acquisition)	230,000	
	Cr Investment in the Individual Entity Financial Statements of Subsidiary B		1
	Cr Non-Controlling Interest in Equity (i.e. fair value of net assets of subsidiary at the date of acquisition * 100% owned at date of acquisition)		299,999
	Being journal to recognise Subsidiary C at fair value at the date of acquisition and eliminate the investment on the parent balance sheet		
	Dr Group Profit and Loss Reserves B/f	60,000	
	Cr Non-controlling Interest (€60,000 * 100%)		60,000
	Being journal to reflect the correct amount in NCI at the start of the current year for Subsidiary C		
	Dr Group Profit and Loss Reserves B/f	57,150	
	Cr Non-controlling Interest (€57,150 * 100%)		57,150
	Being journal to reflect the transfer of the NCI portion of the result of Subsidiary C for the period		
1D	Dr Goodwill	40,000	
	Dr Ordinary Share Capital of Subsidiary D	16,000	
	Dr Profit and Loss Reserves (i.e. profit and loss reserves in existence at date of acquisition)	104,000	
	Cr Investment in the Individual Entity Financial Statements of Parent Co		160,000
	Being journal to recognise Subsidiary D at fair value at the date of acquisition and eliminate the investment on the parent balance sheet		
	Dr Amortisation of Goodwill in P&L- Administrative expenses (FC50,000/10yrs=FC5,000/0.75)	3,750	
	Cr Accumulated Amortisation of Goodwill		3,750
	Being journal to reflect amortisation on goodwill recognised on acquisition of Subsidiary D in the consolidated financial statements for current year as acquired at very start of current year.		
	Dr Goodwill	2,000	
	Cr Retranslation of goodwill on foreign operation in Other Comprehensive income		2,000
	Being journal to reflect amortisation on goodwill recognised on acquisition of Subsidiary D in the consolidated financial statements for current year as acquired at very start of current year.		
2	Dr Sales	100,000	
	Cr Cost of Sales (i.e. the cost of sales posted in sub accounts ex item in stock excluding the intra-group profit)	85,000	
	Cr Inventory (CU30,000*50% profit margin)		15,000
	Being journal to derecognise intercompany sales as consolidated financial statements should only show external sales and purchases and eliminate profit included in inventory.		
	Dr Deferred Tax Asset (CU15,000*10% assuming a deferred tax rate of 10%)		1,500
	Cr Deferred Tax in P&L	1,500	
	Being journal to reflect deferred tax on the above journal (as this is taxed in the entity accounts and included in the group accounts but the income has been reversed out of group accounts there is therefore a timing difference).		

3	Dr Sales	100,000		
	Cr Cost of Sales		100,000	
	Being journal to derecognise intercompany sales as consolidated financial statements should only show external sales and purchases			
4	Dr administrative expenses	40,000		
	Cr Cost of Sales		40,000	
	Being journal to eliminate intercompany recharges			
5	Dr Amounts Due to Group Subsidiary B in Subsidiary A's Books currently included in creditors		60,000	
	Cr Amounts Due from Group Subsidiary A in Subsidiary B's Books currently included in debtors			60,000
	Dr Amounts Due to Group Parent Co in Subsidiary B's Books currently included in creditors		10,000	
	Cr Amounts Due from Group Subsidiary B in Parent Co Books currently included in debtors			10,000
	Being journal to eliminate intercompany balances			
	Dr Interest income in Subsidiary B	1,000		
	Cr Interest expense in Subsidiary A's Books		1,000	
	Dr Capital Contribution in Subsidiary A's Books		20,000	
	Cr Profit and loss reserves in Subsidiary B's books			20,000
	Being journal to eliminate interest on group loans and to unwind the initial journals recognised as these loans are eliminated on consolidation			
6	Dr Profit and loss reserves for profit on disposal recognised in Subsidiary B previously net of additional depreciation charge of €4,000 on the uplift ((€100k/10yrs)-(€60k/10yrs)*1 year gone from date of sale to the start of current year) in prior years		36,000	
	Cr PPE (€80,000 less NBV that it would have been carried at if there had been no intra-group sale €60,000/10yrs*8yrs= €48,000)			32,000
	Cr Depreciation within cost of sales (€10,000 charged less CU6,000 (CU60,000/10 yrs) which would have been charged if no inter co sale arose)		4,000	
	Being journal to derecognise the profit on disposal from P&L Reserve of Sub B and reverse additional depreciation charged on uplift for current year and previous years			
7	Dr Equity -Profit and Loss Reserves (€220,000-€77,778)		142,222	
	Dr Equity-Non Controlling Interest (€350,000/45 being original amount owned by the MI *10 being the amount disposed of)		77,778	
	Cr Investment in Subsidiary A			220,000
	Being journal to reflect the acquisition as an equity transaction			
8	Dr Income from group undertakings in P&L	45,000		
	Cr Profit and loss reserves for the dividend recognised			45,000
	Being journal to eliminate the intercompany dividends – goes to P&L reserves as this is where dividend was initially recognised			
9	Dr Investment in Associate		10,100	
	Dr Share of Associates expense in OCI		1,750	
	Dr income from participating interest		3,500	
	Cr Share of Associates Profit for year in P&L		15,350	
	Being journal to reflect Parents share of associates income and reclassification of dividend to share of associates profit			
10	Dr Revenue (€100,000*35%)	35,000		
	Cr Cost of Sales (€40,000*35%)		14,000	
	Cr Investment in Associate (€60,000*35%)			21,000
	Being journal to defer the sales, cost of sales and profit on the inventory still held in stock in associates books			

11	Dr Group Profit and Loss Reserves b/f		10,000	
	Cr Inventory			10,000
	Being journal to bring forward prior year consolidation journal to ensure the Group Profit and Loss reserves B/F are correct			
	Dr Inventory		10,000	
	Cr Cost of sales	10,000		
	Being journal to release the deferral of the inter group profit in the current year so as to net against the profit earned on final sale.			
12	Dr tangible fixed assets(€100,000-88,000)		88,000	
	Cr Investment property			100,000
	Dr interest receivable	10,000		
	Dr depreciation - Administrative expenses	2,000		
	Dr deferred tax liability		3,300	
	Cr deferred tax in P&L		3,300	
	Being journal to reclassify the property from investment property to PPE and eliminate the revaluation recognised in the entity financial statements including deferred tax			