ELECTRON

IFRS 2 *Share Based Payment* requires that the fair value of equity settled share based payment schemes at the grant date be expensed over the vesting period.

The fair value of ELECTRON'S scheme on 1 July 2020 (i.e. the grant date) was €3M. This should be expensed over the vesting period (i.e. 3 years), based on the number of employees who satisfy the vesting conditions (estimated at 94% of employees at 30 June 2021).

Therefore, the charge to expense for the year ended 30 June 2021 will be computed as follows:
€3M x 94% x 1/3 = €940,000.
The following journal entry will be required:

	DR	**CR**
	€'000	**€'000**
Share option expense (income statement)	940	
Equity		940

BETH Group

IFRS 2 *Share Based Payment* requires that the fair value of equity settled share based payment schemes at the grant date be expensed over the vesting period. The fair value of BETH'S scheme on 1 December 2020 (i.e. the grant date) was €20M (i.e. 200 x 10,000 x €10). This should be expensed over the vesting period (i.e. 2 years), based on 8,900 employees who, at 30 November 2021, are likely to satisfy the vesting conditions (i.e. 10,000 – (600 + 500))

Therefore, the charge to expense for the year ended 30 November 2021 will be computed as follows:
€20M x 8,900/10,000 x 1/2 = €8,900,000.

The following journal entry will be required:

	DR	**CR**
	€'000	**€'000**
Share option expense (income statement)	8,900	
Equity		8,900

(Being share option expense for year ended 30 November 2021)