

GROUP EXAMPLE

RhinoAir Ltd acquires 70% of the shares in AerLeadus Ltd on 1 January 20X6 for €170,000. RhinoAir Ltd considers the net assets per AerLeadus's SOFP to be fairly valued.

SOFPs – 1st January 20X6

	<u>RhinoAir Ltd</u>	<u>AerLeadus Ltd</u>
<u>ASSETS</u>		
Plant & Machinery	600,000	150,000
- Cost	1,000,000	200,000
- Accumulated Depreciation	(400,000)	(50,000)
Investment in Aer Leadus Ltd	170,000	-
Current Assets	800,000	140,000
	<u>1,570,000</u>	<u>290,000</u>
<u>EQUITY & LIABILITIES</u>		
Share Capital	100,000	100,000
Share Premium	150,000	10,000
NDR	400,000	-
Retained Profit	650,000	45,000
	<u>1,300,000</u>	<u>155,000</u>
Long Term Loan	270,000	135,000
	<u>1,570,000</u>	<u>290,000</u>