

Henried

F3 Case 9- PRESTEND GROUP

Prestend is the parent company of Northon. The following are the statements of financial position for both companies as at 31 October 20X7.

	Prestend		Northon	
	\$'000	\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property, plant and equipment		4,200		3,300
Investments: shares in Northon at cost		3,345		-
Current assets				
Inventory	1,500		800	
Trade receivables	1,800		750	
Bank	600	3,900	350	1,900
Total assets		<u>11,445</u>		<u>5,200</u>
Equity and liabilities				
Equity				
\$1 ordinary shares		9,000		4,000
Retained earnings		525		200
		<u>9,525</u>		<u>4,200</u>
Current liabilities				
Trade payables	1,220		200	
Tax	700	1,920	800	1,000
Total equity and liabilities		<u>11,445</u>		<u>5,200</u>

The following information is also available.

- Prestend purchased 2,800,000 shares in Northon a year ago when Northon had retained earnings of \$60,000. The fair value of the non-controlling interest at the date of acquisition was \$1,415,000.
- During the year Prestend sold goods with an invoice value of \$240,000 to Northon. These goods were invoiced at cost plus 20%. Half of the goods are still in Northon's inventory at the year end.
- Northon owes Prestend \$30,000 at 31 October 20X7 for goods it purchased during the year.
- At the date of acquisition, the fair values of Northon's assets were equal to their carrying amounts with the exception of an item of land, which had a fair value of \$200,000 in excess of its carrying amount.

Required

Prepare the consolidated statement of financial position for the Prestend group as at 31 October 20X7.