

**(W3) Goodwill**

	\$000	Marks
Barcelona		
Cost of investment	142,000	0.5
FV of NCI at acquisition	78,000	0.5
	<u>220,000</u>	
Less: FV of NA at acquisition (W2)	(126,000)	
	<u>94,000</u>	
Goodwill at acquisition		
Less impairment loss	(10,000)	0.5
	<u>84,000</u>	
To the S of FP		

	\$000	Marks
Kunming (part of Lahore group from 01/02/10)		
Indirect investment incurred by Barcelona	12,500	
Less the indirect holding adjustment ( $40\% \times 12,500$ ) to NCI	(5,000)	1
Cost incurred directly by Lahore	31,000	0.5
FV of NCI (direct and indirect)	31,125	0.5
	<u>69,625</u>	
Less: FV of NA at acquisition (W2)	(39,000)	
	<u>30,625</u>	
Goodwill at acquisition		
Less impairment loss	(8,000)	0.5
	<u>22,625</u>	
To the S of FP		

**(W4) Non-controlling interest**

	\$000	Marks
Barcelona: FV of NCI at acquisition	78,000	0.5
Plus NCI % of the post acq profits $40\% \times (15,650)$	6,260	1
less NCI % of the impairment loss ( $40\% \times 10,000$ )	(4,000)	0.5
	<u>80,260</u>	
Kunming: FV of NCI at acquisition	31,125	0.5
Plus NCI % of the post acq profits $55\% \times (39,350 - 39,000)$	192	1
less NCI % of the impairment loss ( $55\% \times 8,000$ )	(4,400)	0.5
	<u>26,917</u>	
Less NCI % indirect holding adjustment regarding the cost of investment by Barcelona in Kunming ( $40\% \times 12,500$ )	(5,000)	1
	<u>102,177</u>	5