Documentation

Unified documentation with context sensitivity

Row help

Context sensitive descriptions for every financial statement and report item

Navigation: Financial terms (financial statement) >

Non-controlling interests

A non-controlling interest (NCI), also known as minority interest, is an ownership position wherein a shareholder owns less than 50% of outstanding shares and has no control over decisions. Non-controlling interests are measured at the net asset value of entities and do not account for potential voting rights. Most shareholders of public companies today would be classified as holding a non-controlling interest, with even a 5% to 10% equity stake considered to be a large holding in a single company.

The "Income statement" worksheet includes the "Net income to non-controlling interests" item which represents the amount of profit for the period attributable to the non-controlling interests.

The "Liabilities" worksheet includes the "Non-controlling interests" item which represents the portion of equity attributable to the non-controlling interests.

Report help

Context sensitive descriptions for each worksheet included in the application

Value (operating)

The "Value (operating)" worksheet covers several valuation methods related to operating activities including methods based on multipliers and present value calculations.

Determining the value of operating activities

Acquisition of operating activities, in contrast to buying the whole company, is relevant when the operating activities being sold represent only a small portion of the company. It may also be an attractive option to the buyer if there are doubts about the financial standing of the selling company. When acquiring only operating activities, potential risks or liabilities not evident from the financial statements remain as responsibilities of the seller.

Acquiring the operating activities differs significantly from acquiring the whole company. When acquiring the operating activities, debt and extra financial assets are not included in the acquisitions. The seller will want the debt, that is not included in the transaction, to be compensated in the sales price. The exclusion of cash equivalents is logical as there is no point in "buying cash with cash". On the contrary, higher sales prices could lead to undesirable tax implications. Thus the value of operating activities can be derived from the value of share capital by adding interest-bearing liabilities not included in acquisition and subtracting extra financial assets and investments not included in acquisition.

User guide

Detailed usage instructions covering all application features

Navigation: Basic features >

Context sensitive help

Comprehensive documentation is accessible through the Help menu.

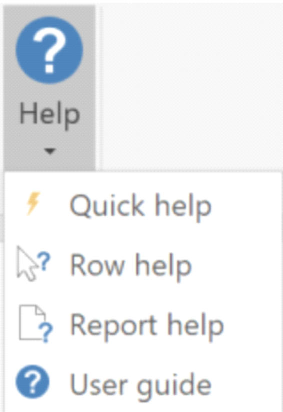

Image: Help menu

Quick help

The "Quick help" command opens a dialog containing information about the main principles related to application usage. It is designed to enable the user to become productive as fast as possible and provides useful reminders in case a longer time has passed since last use.