



Slides for tutors 2024

FINANCIAL ACCOUNTING AND REPORTING

The Team

- Two examiners
- Two moderators
- Two senior moderators (across Professional Level papers)

Syllabus weightings (IFRS & UK GAAP)

Syllabus area	Weighting %		
	2023	2024	2025 proposed
1. Accounting and reporting concepts and ethics	10	10 – 15	10 – 15
2. Single company financial statements	60	60 – 65	60 – 70
3. Consolidated financial statements	30	25 – 30	20 – 25
TOTAL	100	100	100

Flexibility introduced for 2024

The Syllabus

- Continued use of proformas
- 2024 – ISSB’s Sustainability Standards – IFRS S1 & S2
 - f. discuss the impact of sustainability and climate-related risks and opportunities on the preparation of the financial statements;
- List of examinable accounting standards (IASs and IFRSs) and levels at which each is examinable (A, B or C)
 - 30 standards (11 at A, 13 at B, 6 at C)

The Exam – Overview (IFRS & UK GAAP)

- Three hour exam = 100 marks
 - Each mark allocated 1.8 minutes rather than 1.5 minutes (as for all other Professional Level papers)
- Four written test questions – order now standard
- UK GAAP differences OR IFRS differences
- Concepts
- Sustainability
- Ethics

Proformas

- Introduction of proformas - 2023 – students have utilised
- Tabs in Excel area of the software
- Choice – but saves time
- Students should:
 - Copy the proforma into a new tab
 - Amend and adjust for the question – don't leave in blank lines
 - Presentation marks still available but for perfection!
- Available in Questions 1 & 3 and group version in Question 4

Sustainability

- Glossary – greater consistency and concepts across the ACA exams
- Consider an organisation's sustainability-related **dependencies** alongside its sustainability-related **impacts**
- Consider sustainability-related **opportunities** alongside risk
- Consider **physical risks** as well as **transition risks** and opportunities
- Confirm that climate and other environmental issues are considered against the broader context of sustainability
- Apply a principles-based approach of identifying, evaluating and mitigating sustainability-related risks and opportunities

Sustainability - Impacts

- What impact have an organisation's actions made on environmental, societal and governance (ESG) issues?
 - Positive or negative
 - Financial consequences
 - Reputational
- Examples of impacts:
 - worker rights, human rights, health and safety policy, waste, greenhouse gas emissions, water usage, land usage and biodiversity
- Information on impacts is useful for broader stakeholders:
 - consumers, civil society and employees

Sustainability - Dependencies

- How will current and future environmental, social and governance issues affect the organisation's ability to create and maintain value?
- Examples of dependencies:
 - worker health, workplace diversity, climatic conditions, resource availability, regulation, consumer expectations, risks to organisational reputation
- How is a company managing its exposure to long-term ESG risks?
 - Ability to influence investment decisions
 - Financial materiality

Sustainability - RQB

48.5 In respect of Advent plc:

- (a) Two potential users of Advent plc's annual report are investors and potential lenders. Explain why Advent plc's investors and potential lenders might be interested in sustainability-related information in its annual report, using information from the scenario to illustrate your answer.

(2 marks)

53.2 Explain why sustainability-related disclosures in the financial statements and the annual report might be useful to investors. Your answer should briefly consider the company's impacts and its dependencies and provide **one** example of each.

(3 marks)

Student performance

- December 2022 59.1% 2,200 students (72.0%) 2,100 students
- March 2023 80.5% 1,100 students (69.5%) 1,000 students
- June 2023 80.6% 2,300 students (73.9%) 2,400 students
- September 2023 64.7% 1,800 students (85.7%) 1,700 students
- December 2023 77.8% 2,400 students (59.1%) 2,200 students

Average over last three years (Mar 2021 – Dec 2023) 74.7%

Question types

- Question 1 – Preparation of single entity financial statements from trial balance/list of balances ([proformas available](#))
- Question 2 – Explain the application of IFRS to specified scenarios
- Question 3 ([proformas available](#)):
 - Mixed or single topic questions requiring extracts and/or calculations (possibly with an explain element)
 - Consolidated statement of cash flows (complete)
- Question 4 – Preparation of consolidated financial statements from individual financial statements ([proformas available](#))

Q1 – Trial balance / nominal ledger

- Statement of profit or loss
- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Note(s) to the financial statements

Trial balance / nominal ledger - 2023

- Statement of profit or loss (March, June, September, December)
- Statement of profit or loss and other comprehensive income
- Statement of financial position (March, June, September, December)
- Statement of changes in equity (June (extract – retained earning & revaluations surplus))
- Note(s) to the financial statements

Trial balance – Exam technique

- Read the question and requirement and copy proformas
- Easiest to mark scripts have the statement of profit or loss and statement of financial position down the left hand side of the screen
 - With workings below (not side by side with proformas)
- Work through the question moving TB figures to Ws or proformas
- Complete Ws and double entry and transfer figures to proformas
- Complete proformas
 - Delete unused rows
 - Tailor “profit” or “loss”
 - Add date

Trial balance – Presentation

Statement of financial position as at 31 December 2022 for Caliban Ltd			
ASSETS			
Non-current assets			
Property, plant and equipment		622050	W2
Financial asset (Zero coupon bond)		193898	W4
Current assets			
Inventories		108450	W3
Trade and other receivables		66600	
Taxation		12600	
Total assets		1003598	
EQUITY AND LIABILITIES			
Ordinary share capital		600000	
Retained earnings	(28448+295180)	323628	
Total equity		923628	
Non-current liabilities			
Deferred income		4400	W5
Current liabilities			
Trade and other payables	(430+64800)	65230	
Deferred income		5280	W5
Borrowings		5060	
Total equity and liabilities		1003598	

Clear heading with date

Workings labelled

Removed blank lines

Trial balance – Presentation

W4) COS		
opening inventory	126500	
depreciation W2	43150	
closing inv W6	-111200	
purcahses	1760700	
	1819150	
W5) Admin Expenses		
Per Tb	659200	
brokers fees	-5000	
	654200	

Different ways of showing workings
– provided it is clear

← Vertical vs horizontal

Cost MAtrix	CoS	Admin
b/f		659200
Purchases	1760700	
Opening inventory	126500	
Closing inventory	-108450	
Brokers Fees		-5000
Loss on financial asset sale		233
Depreciation	45250	
Total	1824000	654433

Trial balance – Common errors

- **Common errors.....**
 - Not completing proformas
 - Poor audit trail / workings all over the place
 - No workings
 - Not using figures from workings – ie calculation of working only
 - Writing an explanation of treatment – it wastes time for no marks!
 - Not completing double entry – ie only adjusting for one side of an adjustment
 - Failing to copy all workings from spreadsheet area

Trial balance – Common errors

- **Student performance – December 2023:**
 - Using proformas but not adapting

Trial balance – Common errors

- Student performance – December 2023:

- Using proformas but not adapting

1

Statement of financial position as at 31 December			
ASSETS			
Non-current assets			
Property, plant and equipment		610,570.00	
Intangible assets		-	
Investments		-	
Current assets			
Inventories		112,250.00	
Trade and other receivables		66,600.00	
Cash and cash equivalents		4,630.00	
Taxation		12,600.00	
Total assets		806,650.00	
EQUITY AND LIABILITIES			
Ordinary share capital		600,000.00	
Share premium account		-	
Revaluation surplus		-	
Retained earnings		286,690.00	
Bonds W5		18,753.79	
Total equity		905,443.79	

Trial balance – Common errors

- Student performance – December 2023:
 - Using proformas but not adapting
 - Financial asset – shown as a liability or split-accounting

Non-current liabilities			
Provisions		-	
Borrowings		-	
Lease liabilities		-	
Bonds W5		162,686.21	
Current liabilities			
Trade and other payables		64,800.00	
Provisions		-	
Borrowings			
Lease liabilities			
Bonds W5		5,880.00	
Total equity and liabilities		1,138,810.00	

Trial balance – Common errors

- **Student performance – December 2023:**
 - Using proformas but not adapting
 - Financial asset – shown as a liability or split-accounting
 - Revenue recognition
 - Wrong number of months
 - Deferred income / contract liability described as “Provision”

Trial balance – Common errors

- **Student performance – December 2023:**
 - Using proformas but not adapting
 - Financial asset – shown as a liability or split-accounting
 - Revenue recognition
 - Wrong number of months
 - Deferred income / contract liability described as “Provision”

Non-current liabilities		
Provisions	10*50*10	5,000.00
Current liabilities		
Trade and other payables		64,800.00
Provisions	12*50*10	6,000.00
Overdraft interest		(430.00)
Total equity and liabilities		987,230.00

Trial balance – Common errors

- **Student performance – December 2023:**
 - Using proformas but not adapting
 - Financial asset – shown as a liability or split-accounting
 - Revenue recognition
 - Wrong number of months
 - Deferred income / contract liability described as “Provision”
 - Inventories calculation for net realisable value
 - Combining two cars
 - Tax refund shown as a liability
 - Overdraft shown as cash balance

Trial balance – Common errors

- Student performance – December 2023:

Current assets		
Inventories	W3	111,700.00
Trade and other receivables		66,600.00
Taxation		12,600.00
Cash and cash equivalents		(5,060.00)

- Overdraft shown as cash balance

Trial balance – Common errors

- **Student performance – December 2023:**
 - Using proformas but not adapting
 - Financial asset – shown as a liability or split-accounting
 - Revenue recognition
 - Wrong number of months
 - Deferred income / contract liability described as “Provision”
 - Inventories calculation for net realisable value
 - Combining two cars
 - Tax refund shown as a liability
 - Overdraft shown as cash balance
 - Mixing of signs in cost matrix

Trial balance – Common errors

- Student performance – December 2023:

Working 1: Expenses			
	CoS		Admin
Per TB			659200
Purchases (TB)	1760700	✓	
Opening Inv (TB)	126500	✓	
Depreciation on plant (w2)	-18900	✗	
Depreciation on building	-16750	✗	
	1851550		659200

- Mixing of signs in cost matrix

Q4 – Consolidated financial statements

- Consolidated statement of profit or loss
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Add-ons, eg
 - Calculation of goodwill
 - NCI and/or retained earnings column from statement of changes in equity
 - Calculation of closing retained earnings
 - Extracts

Q4 – Consolidated financial statements- 2023

- Consolidated statement of profit or loss (September)
- Consolidated statement of financial position
(March, June, December)
- Consolidated statement of changes in equity
- Add-ons, eg
 - Extracts – September – total assets

Consolidated financial statements – Exam technique

- Read the question
- Read the requirement and copy the **relevant** proformas and prepare standard Ws
- Easiest to mark scripts have the consolidated statement down the left hand side of the screen
 - With workings below (not side by side with proformas)
- Work through the question moving figures from individual financial statements to Ws or proformas, ensuring double-entry is complete
- Complete Ws and transfer figures to proformas
- Complete proformas

Consolidated financial statements – Common errors

- Not completing proformas or irrelevant / random proformas
- Incomplete or random workings
- No workings
- Poor audit trail
- Lack of double entry

Consolidated financial statements – Common errors

- **Student performance – December 2023:**
 - Performance generally good
 - Joint venture described as an associate
 - Sales to JV and unrealised profit

Consolidated financial statements – Common errors

- Student performance – December 2023:
 - Performance generally good
 - Joint venture described as an associate
 - Sales to JV and unrealised profit

2				
3	ASSETS			
4	Non-current assets			
5	Property, plant and equipment (602700+206860+198300	1007860		
6	Goodwill (w6)	25104		
7	Investments (332500-220000	112500		
8	Investment in associate (w8)	50850		
9				

Consolidated financial statements – Common errors

- **Student performance – December 2023:**
 - Performance generally good
 - Joint venture described as an associate
 - Sales to JV and unrealised profit
 - No audit trail / workings

Consolidated financial statements – Common errors

- Student performance – December 2023:
 - No audit trail / workings

Net Assets - Viola			
	At Acq	At Year end	Post-Acq
SC	80000	80000	0
RE	156200	178380	22180
Revaluation	33000	27500	5500
	269200	285880	16680
Working 3			
NCI - Juliet			
NCI at Acquisition	20000		
Share of post acquisition Reserves	40380		
NCI at Year end	60380		
NCI - Viola			
NCI at Acquisition	80760		
Share of post acquisition Reserves	5004		
NCI at Year end	85764		

Consolidated financial statements – Common errors

- **Student performance – December 2023:**
 - Performance generally good
 - Joint venture described as an associate
 - Sales to JV and unrealised profit
 - No audit trail / workings
 - Reference to workings for NCI rather than use of figures (W2 x 20%)

Consolidated financial statements – Common errors

- Student performance – December 2023:
 - Reference to workings for NCI rather than use of figures (W2 x 20%)

Goodwill viola:			
Cash consideration	220000		
Share consideration	0		
NCI @acq proportionate ffvna	72060	=D80*0.3	
Less FVNA @ acq	-240200		
Goodwill @acq	51860		
Less accumulated impairment	0		
Goodwill @reporting	51860		
Total goodwill	75860		

W4 NCI			
NCI Juliet:			
NCI @acq	20000		
share of post acq movements	37080	=E71*0.2	
NCI @reporting	57080		

Consolidated financial statements – Common errors

- **Student performance – December 2023:**
 - Performance generally good
 - Joint venture described as an associate
 - Sales to JV and unrealised profit
 - No audit trail / workings
 - Reference to workings for NCI rather than use of figures (W2 x 20%)
 - Goodwill held in subsidiary caused confusion
 - Calculated FV adjustment for depreciation in net assets working but not in SFP
 - Not eliminating “Investments” line

Q3 – Statement of cash flows

- Single company
 - From draft statement of cash flows – completion
 - Extracts

- Consolidated
 - Full consolidated statement of cash flows
 - Extracts
 - With acquisition in the year
 - With disposal in the year
 - With neither

Q3 – Statement of cash flows - 2023

- Single company
 - From draft statement of cash flows – completion (March)
 - Extracts (December)

- Consolidated
 - Full consolidated statement of cash flows (June)
 - Extracts (September)
 - With acquisition in the year (September)
 - With disposal in the year (June)
 - With neither

Statement of cash flows – Exam technique

- Read the question, *taking note of what has been done if a draft statement of cash flows is given*
- Read the requirement and set up proformas and T account templates (extracts as required, single company or consolidated)
- Work through the question taking movements between b/f and c/f figures to proformas or T account Ws
- Balance off T account Ws and transfer figures to proformas
- Complete proformas

Statement of cash flows – Common errors

- **Common errors:**
 - Incorrect bracket convention or use of one sided bracket
 - No workings
 - Adjusting for items under the wrong heading
 - Columnar approach can lead to incorrect +ve / -ve
 - Yes we recommend T-accounts

Statement of cash flows – Common errors

- **Student performance – December 2023:**
 - Generally good attempts
 - Lack of tailored presentation
 - Bonus issue

Q2 – “Explain”

- Explain the financial reporting treatment
 - With supporting calculations
 - Notes / bullet points – if “briefly” stated
 - Adjustment of draft financial statement extracts / figures
- Possible add ons:
 - Calculation of EPS
 - Journal entries

“Explain” – Exam technique

- Read the requirement, noting carefully what is required (eg note style (briefly explain), journal entries, adjustment of figures/extracts)
- Set up a blank page ready for adjustments to figures/extracts
- Read the question, taking any draft figures to the above page
- Deal with each (numbered) item in turn
- Complete the figures/extracts page
- Space out answers....much easier to mark

Space out answers...easier to award marks

As the carrying amount (£220,000) exceeds the recoverable amount (£144,000), this building has correctly been identified as being impaired. The correct accounting treatment to recognise the impairment is to initially reduce the carrying amount of the building to its recoverable amount. This means crediting the building by £76,000 ($£220,000 - £144,000$) and recognising this same amount within other comprehensive income to the extent that the impairment does not exceed the amount in the revaluation surplus of the same asset. This means, as the £76,000 impairment loss is above the total amount within the revaluation surplus (£72,450) within other comprehensive income, this entire amount is offset (brought to nil). The remainder £3,550 ($£76,000 - £72,450$) is recognised as an impairment loss within the Statement of Profit or Loss (as an expense).

“Explain” – Common errors

- **Common errors:**
 - Workings not linked to narrative
 - Sparce narrative
 - Not relating to the scenario – knowledge dump!

“Explain” – Common errors

- **Student performance – December 2023:**
 - Most candidates attempted all 3 issues....
 - *Disposal of sub*
 - Goodwill calc often correct
 - Loss on disposal calc – loss for the period often missed
 - Narrative often general rather than tailored to scenario
 - *Impairment & change of useful life*
 - Impairment calcs & narrative quite good
 - Change of useful life – often sparse / missed completely
 - *Events after the reporting date*
 - Answers were mixed for this issue
 - Often missed the point entirely – discussing net realisable value

Q3 – Mixed or single topic

- Mixture of any examinable topics
- Single company and/or consolidated
- Always contain elements of a statement of cash flow
 - Single entity; or
 - Consolidated
- Calculations and/or extracts from financial statements
- Potential for an explain element
- Examples.....(but not an exhaustive list)
 - Non-current assets
 - Leasing
 - Provisions
 - Revenue recognition
 - Government grants
 - Statement of changes in equity

Mixed or single topic – Exam technique

- Read the question and the requirement, noting carefully what is required
- Set up any proformas/answer pages
- Work through the question, doing any necessary calculations and clearly labelling Ws
- Complete any proformas/answer pages
- Have a go! High number of non-responses

“Add-ons” to any of the above types of questions

- Concepts
- Ethics
- Sustainability
- UK GAAP differences
- “Explain” part
- Journal entries
- EPS
- Distributable profits

“Add-ons” to any of the above types of questions

- Concepts
- Ethics
- Sustainability
- UK GAAP differences
- “Explain” part
- Journal entries
- EPS – December 2023
 - Mixed answers – can’t count months!
 - No narrative
- Distributable profits – December 2023
 - High level of non-attempts
 - Weak answers

Add-ons – Common errors

- **Student performance – December 2023:**
 - Concepts
 - Reasonable answers – better than often seen
 - Less non-attempts than often
 - Ethics – good answers
 - Many achieved full marks
 - UK GAAP differences
 - High number of non-attempts
 - Very mixed standard – generally quite poor
 - Random responses – unrelated to the requirement

Examinations – 2022 & 2023

	Mar 2022	June 2022	Sept 2022	Dec 2022	Mar 2023	June 2023	Sept 2023	Dec 2023
Ethics	Q2	Q3	Q3	Q2	Q2	Q2	Q2	Q3
Concepts	Q4	Q1	Q1	Q1	Q1	Q1	Q1	Q1
UK GAAP	Q1	Q4	Q2	Q1	Q1	Q2	Q4	Q1
EPS	✓			✓				✓
Journals			✓					
Distributable profits				✓				✓

Other CBE points

- Write out workings
 - Markers cannot see formula used in a cell
 - Cannot see formula in Excel part
- Copy everything from Excel part of answer – improvements
 - Significant number of candidates look like they have not copied everything
 - Double check at end



[icaew.com](https://www.icaew.com)

Question 1.1

Caliban Ltd - Statement of profit or loss for the year ended 31 December 2022	
Revenue (2,500,600 - 12,000 Grant - 11,500 W5)	2,477,100
Cost of sales W1	-1,820,190
Gross profit	656910
Administrative expenses	-654,200
Operating profit / (loss)	2710
Finance costs (430 + 7552 W4)	-7982
Investment income W4	12,351
Profit / (loss) before tax	7079
Income tax expense	12,600
Profit / (loss) for the year	19679

Caliban Ltd - Statement of financial position as at 31 December 2022		
ASSETS		
Non-current assets		
Property, plant and equipment	641,760	
Financial Asset W4	181,239	
Current assets		
Inventories	108,450	
Trade and other receivables (66,600)	66,600	
Taxation	12,600	
Cash and cash equivalents		
Total assets	1,010,649	
EQUITY AND LIABILITIES		
Ordinary share capital (600,000)	600,000	
Retained earnings (295,180 + 19,679 (PFY))	314,859	
Total equity	914,859	
Non-current liabilities		
Deferred Income Liability	5,500	
Current liabilities		
Trade and other payables (64,800)	64,800	
Deferred Income Liability	6,000	
Borrowings (430 + 5,060)	5490	
Lease liabilities		
Total equity and liabilities	996,649	

		Cost of sales	Admin cost	
W1 Expenses	Per T.B		659,200	
	Opening Invent	126,500		
	Purchases	1,760,700		
	Closing Invent W3	-108,450		
	Reverse Broker fee		-5000	
	Depn charge Building W2	16,750		
	Depn charge P&E W2	24690		
	Total	1820190	654200	

W2 PPE		Land	Buildings	P&E	Total
	Per T.B	300,000	502,500	206,900	
	Accum Depn		-255,800	-82,400	
	Government grant			12,000	
	Depn for year		-16,750		
	Depn for 7 months			-14,525	(206,900 - 82,400 x 0.2 x 7/12)
	Depn with grant			-10165	(C.A 109,975 + 12,000 x 0.2 x 5/12)
	Totals	300000	229950	111810	641760

W3 Year end inventories		Cost	NRV		
	Car 1	8,500	7,450		
	Car 2	2,500	2,700		
	Per T.B	98,500			
	Car 1 (NRV)	7,450			
	Car 2 (Cost)	2,500			
		108450			

W4 Zero Coupon Bond	B/f	Investment 7%	Interest 4%	C/F	
	176,440	12351	-7552	181239	

W5 Revenue recognition		
Car: 23,440 Charging cost: 1,200		
In November 10 cars=234,400 and 10 monthly costs=500		
234,900 should be included in revenue	so reduce revenue by 11,500	
11,500 deferred income liability paid for but not received yet		
6000 current liab, 5,500 non current > 12 months		

Question 3.1a

Question 3.1

1.

Statement of cash flows for the year ended 31 December 2022		
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment (W1)	(164,900)	
Proceeds from sale of equipment	10,200	
Net cash used in investing activities	(154,700)	
Cash flows from/(used in) financing activities		
Proceeds from issue of share capital (W2)	125,000	
Dividends paid (W3)	-3600	
Net cash from financing activities	121,400	
Net decrease in cash and cash equivalents	(33,300)	

W1.		
b/f balance	405,600	
Depreciation	-99,800	
Disposal (10,200+3,600)	(13,800)	
Additions (B)	164,900	456,900-(405,600-99,800-13,800)
c/f balance	456,900	
W2		
b/f balance	375,000	300,000+75,000
Cash issue (B)	125,000	540,000-(375,000+40,000)
Bonus issue	40,000	
c/f balance	540,000	440,000+100,000
W3		
b/f RE	401,500	
Bonus issue	-40,000	
Dividends paid (B)	3,600	(365,100-(401,500-40,000))
c/f RE	365,100	

Question 4

Consolidated statement of financial position as at 31 December						
ASSETS						£
Non-current assets						
Property, plant and equipment		602700	206860	198300		1007860
Goodwill	W3	-8500	140900	19500		151900
Investment in associate W6						50850
Current assets						
Inventories		281250	98500	56780		436530
Trade and other receivables		302640	66280	82350	-18600	432670
Cash and cash equivalents		26350	5920	1800	-18600	15470
Total assets						2095280
EQUITY AND LIABILITIES						
Equity attributable to owners of Parent plc						
Ordinary share capital						700000
Share premium account						100000
Retained earnings	W5					623916
Non-controlling interests	W4	20000	51864			
Total equity						1423916
Current liabilities						
Trade and other payables		289760	76560	68250	-18600	415970
Taxation		106000	25600	12600		144200
Total equity and liabilities						1984086

W1. Group structure		G				
	J	V	P			
	80%	70%	25%			
W2 Net assets of sub - J						
		At y/e		At acqn		Post acqn
SC		20000		20000		
RE		274900		79500		

W2 Net assets of sub - V						
		At y/e		At acqn		Post acqn
SC		80000		80000		
RE		178380				
FV W7		27500		33000		

W3 Goodwill - J				
Cost (50000 x 1.75)			87500	
+ NCI @ acqn (FV)			20000	
- NA @ acqn (W2)	99500		-99500	
Less impairment to date	6500	10000	-16500	
			-8500	

W3 Goodwill - V				
Cost			220000	
+ NCI @ acqn (30% x W2)	113000		33900	
- NA @ acqn (W2)			-113000	
Less impairment				
			140900	

W4 NCI - J				
NCI @ fair value			20000	
			20000	
W4 NCI - V				
NCI share of post acqn RE (30% x W2)	172880		51864	

W5 Retained earnings				
Parent			349680	
P share of post acqn of J (W2 x 80%)	195400		156320	
P share of post acqn of V (W2 x 70%)	172880		121016	
PURP W8			-3100	
			623916	

W6 Investment in associate				
Cost (100000 x 25%)			25000	
Share of profit (25% x W9)	103400		25850	
			50850	
W7 FV - V				
	At acqn		At y/e	
PPE	33000		33000	
Depreciation (33000/30 years=£1,100 pa x 5 years)			-5500	
	33000		27500	

W8 PURP						
G sold to J (Parent to sub)						
Selling price	18600	120%				
Cost	15500	100%				
Profit	3100	20%				
Still remaining at year end = 100%	3100	PURP				
W9 Portia profit						
		At y/e		At acqn		Post acqn
SC		100000		100000		
RE		103400		0		
		203400		100000		103400