

Financial Accounting (F3/FFA) September 2016 to August 2017

This syllabus and study guide are designed to help with teaching and learning and is intended to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram with other papers

This diagram shows direct and indirect links between this examination and other examinations which precede or follow it. Some examinations are directly underpinned by others. These links are shown as solid line arrows. The indirect links are shown as dotted line arrows. The relational diagram therefore indicates where learners are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the examination and indicates in the broadest sense the capabilities to be developed within the examination.

Main capabilities

This syllabus's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities or sections of the syllabus are linked. The rationale also

explains in further detail what the examination intends to assess and how.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students and learning and content providers should use as the basis of their studies, instruction and materials respectively.

Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed within any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes indicate what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

LEVEL OF ASSESSMENTS – INTELLECTUAL DEMAND

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels through each qualification.

Throughout, the study guides assess both knowledge and skills. Therefore a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript^K and the assessment of skills is denoted by the superscript^S.

VALUE OF ASSESSMENTS – GUIDED LEARNING HOURS AND EDUCATION RECOGNITION

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Foundations examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Foundations examinations are assessed by two-hour paper based and computer based examinations.

The pass mark for all FIA examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within any study guide within any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax papers, except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For this examination regulation *issued* or legislation *passed* on or before 31st August annually, will be assessed from September 1st of the following year to August 31st of the year after. Please refer to the examinable documents for the paper (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future.

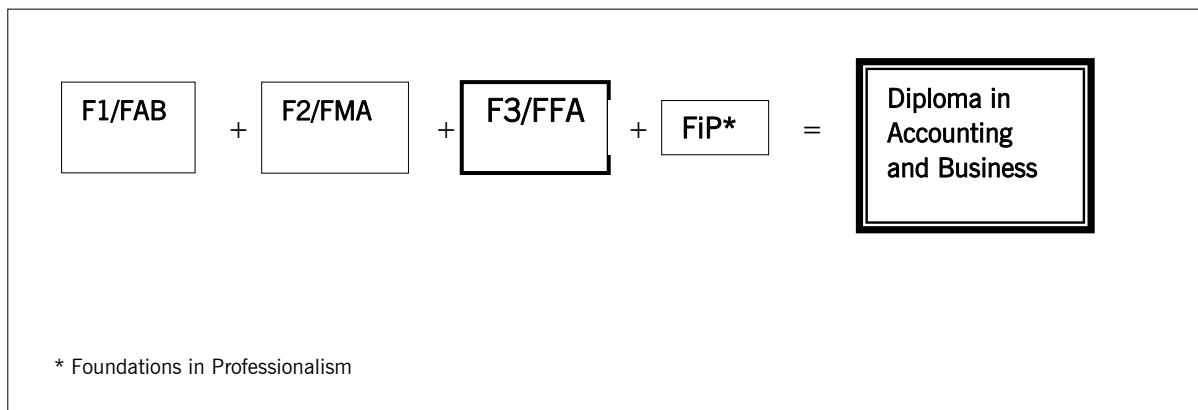
The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Qualification Structure

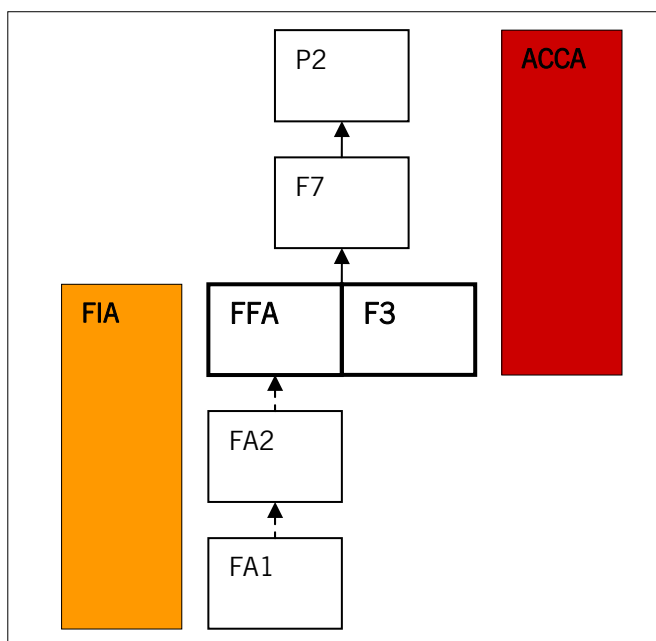
The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module



Syllabus Structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level.

Students are recommended to enter Foundations in Accountancy at the level which is most appropriate to their needs and to take examinations in order, but this is not a mandatory requirement



Syllabus

AIM

To develop knowledge and understanding of the underlying principles and concepts relating to financial accounting and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements.

RATIONALE

The syllabus for Paper FFA/F3, *Financial Accounting*, introduces the candidate to the fundamentals of the regulatory framework relating to accounts preparation and to the qualitative characteristics of useful information. The syllabus then covers drafting financial statements and the principles of accounts preparation. The syllabus then concentrates in depth on recording, processing, and reporting business transactions and events. The syllabus then covers the use of the trial balance and how to identify and correct errors, and then the preparation of financial statements for incorporated and unincorporated entities. The syllabus then moves in two directions, firstly requiring candidates to be able to conduct a basic interpretation of financial statements; and secondly requiring the preparation of simple consolidated

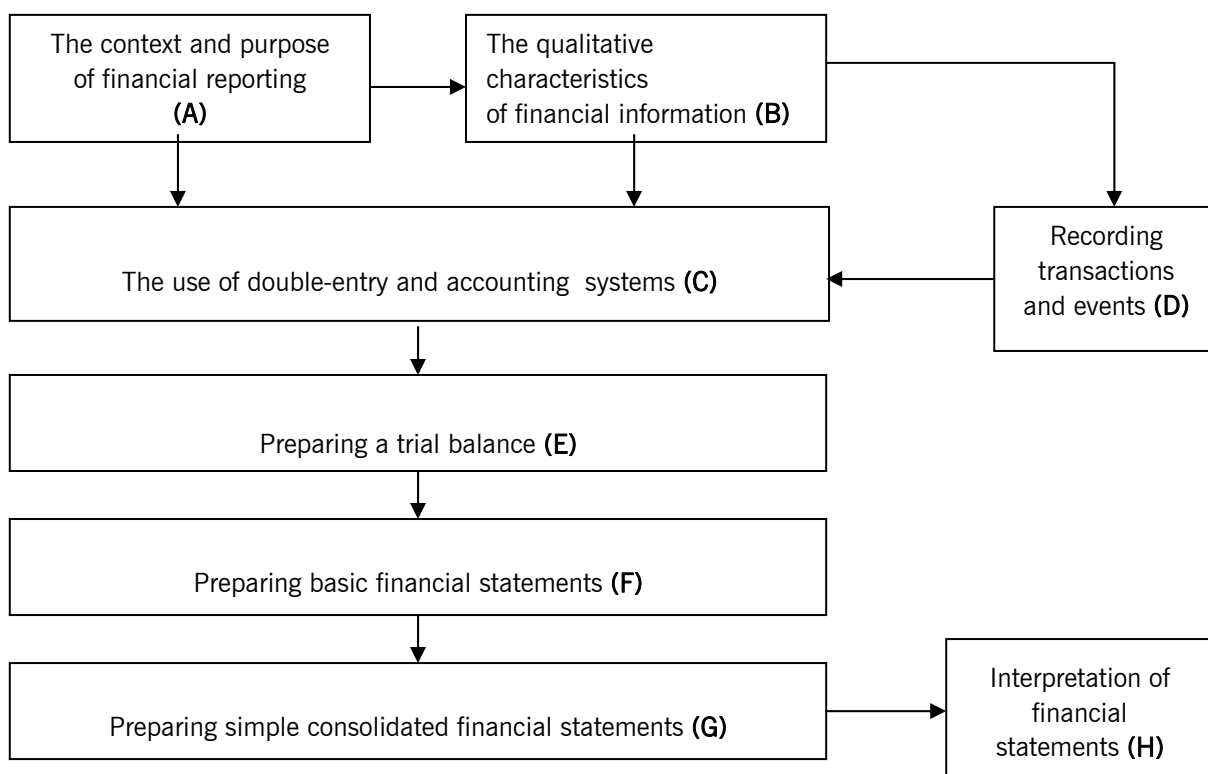
financial statements from the individual financial statements of group incorporated entities.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A. Explain the context and purpose of financial reporting
- B. Define the qualitative characteristics of financial information
- C. Demonstrate the use of double-entry and accounting systems
- D. Record transactions and events
- E. Prepare a trial balance (including identifying and correcting errors)
- F. Prepare basic financial statements for incorporated and unincorporated entities.
- G. Prepare simple consolidated financial statements
- H. Interpretation of financial statements

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The context and purpose of financial reporting

1. The scope and purpose of financial statements for external reporting
2. Users' and stakeholders' needs
3. The main elements of financial reports
4. The regulatory framework (legislation and regulation, reasons and limitations, relevance of accounting standards)
5. Duties and responsibilities of those charged with governance.

B The qualitative characteristics of financial information

1. The qualitative characteristics of financial information

C The use of double-entry and accounting systems

1. Double-entry book-keeping principles including the maintenance of accounting records and sources of accounting information
2. Ledger accounts, books of prime entry, and journals

D Recording transactions and events

1. Sales and purchases
2. Cash
3. Inventory
4. Tangible non-current assets
5. Depreciation
6. Intangible non-current assets and amortisation
7. Accruals and prepayments
8. Receivables and payables
9. Provisions and contingencies

10. Capital structure and finance costs

E Preparing a trial balance

1. Trial balance
2. Correction of errors
3. Control accounts and reconciliations
4. Bank reconciliations
5. Suspense accounts

F Preparing basic financial statements

1. Statements of financial position
2. Statements of profit or loss and other comprehensive income
3. Disclosure notes
4. Events after the reporting period
5. Statements of cash flows
6. Incomplete records

G Preparing simple consolidated financial statements

1. Subsidiaries
2. Associates

H Interpretation of financial statements

1. Importance and purpose of analysis of financial statements
2. Ratios
3. Analysis of financial statements

APPROACH TO EXAMINING THE SYLLABUS

THE SYLLABUS IS ASSESSED BY A TWO HOUR PAPER-BASED OR COMPUTER-BASED EXAMINATION.

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of two sections. Section A will contain 35 two mark objective questions. Section B will contain 2 fifteen mark multi-task questions. These will test consolidations and accounts preparation. The consolidation question could include a small amount of interpretation and the accounts preparation question could be set in the context of a sole trader or a limited company.

Study Guide

A THE CONTEXT AND PURPOSE OF FINANCIAL REPORTING

1. The scope and purpose of, financial statements for external reporting

- a) Define financial reporting – recording, analysing and summarising financial data.^[K]
- b) Identify and define types of business entity – sole trader, partnership, limited liability company.^[K]
- c) Recognise the legal differences between a sole trader, partnership and a limited liability company.^[K]
- d) Identify the advantages and disadvantages of operating as a limited liability company, sole trader or partnership.^[K]
- e) Understand the nature, principles and scope of financial reporting.^[K]

2. Users' and stakeholders' needs

- a) Identify the users of financial statements and state and differentiate between their information needs.^[K]

3. The main elements of financial reports

- a) Understand and identify the purpose of each of the main financial statements.^[K]
- b) Define and identify assets, liabilities, equity, revenue and expenses.^[K]

4. The regulatory framework

- a) Understand the role of the regulatory system including the roles of the IFRS Foundation (IFRSF), the International Accounting Standards Board (IASB), the IFRS Advisory Council (IFRS AC) and the IFRS Interpretations Committee (IFRS IC).^[K]
- b) Understand the role of International Financial Reporting Standards.^[K]

5. Duties and responsibilities of those charged with governance

- a) Explain what is meant by governance specifically in the context of the preparation of financial statements.^[K]
- b) Describe the duties and responsibilities of directors and other parties covering the preparation of the financial statements.^[K]

B THE QUALITATIVE CHARACTERISTICS OF FINANCIAL INFORMATION

1. The qualitative characteristics of financial information

- a) Define, understand and apply qualitative characteristics:^[K]
 - i) Relevance
 - ii) Faithful representation
 - iii) Comparability
 - iv) Verifiability
 - v) Timeliness
 - vi) Understandability
- b) Define, understand and apply accounting concepts:^[K]
 - i) Materiality
 - ii) Substance over form
 - iii) Going concern
 - iv) Business entity concept
 - v) Accruals
 - vi) Fair presentation
 - vii) Consistency

C THE USE OF DOUBLE-ENTRY AND ACCOUNTING SYSTEMS

1. Double-entry book-keeping principles including the maintenance of accounting records

- a) Identify and explain the function of the main data sources in an accounting system.^[K]
- b) Outline the contents and purpose of different types of business documentation, including: quotation, sales order, purchase order, goods received note, goods despatched note, invoice,

statement, credit note, debit note, remittance advice, receipt.^[K]

- c) Understand and apply the concept of double-entry accounting and the duality concept.^[K]
- d) Understand and apply the accounting equation.^[S]
- e) Understand how the accounting system contributes to providing useful accounting information and complies with organisational policies and deadlines.^[K]
- f) Identify the main types of business transactions e.g. sales, purchases, payments, receipts.^[K]

2. Ledger accounts, books of prime entry and journals

- a) Identify the main types of ledger accounts and books of prime entry, and understand their nature and function.^[K]
- b) Understand and illustrate the uses of journals and the posting of journal entries into ledger accounts.^[S]
- c) Identify correct journals from given narrative.^[S]
- d) Illustrate how to balance and close a ledger account.^[S]

D RECORDING TRANSACTIONS AND EVENTS

1. Sales and purchases

- a) Record sale and purchase transactions in ledger accounts.^[S]
- b) Understand and record sales and purchase returns.^[S]
- c) Understand the general principles of the operation of a sales tax.^[K]
- d) Calculate sales tax on transactions and record the consequent accounting entries.^[S]
- e) Account for discounts allowed and discounts received.^[S]

2. Cash

- a) Record cash transactions in ledger accounts.^[S]
- b) Understand the need for a record of petty cash transactions.^[K]

3. Inventory

- a) Recognise the need for adjustments for inventory in preparing financial statements.^[K]
- b) Record opening and closing inventory.^[S]
- c) Identify the alternative methods of valuing inventory.^[K]
- d) Understand and apply the IASB requirements for valuing inventories.^[S]
- e) Recognise which costs should be included in valuing inventories.^[S]
- f) Understand the use of continuous and period end inventory records.^[K]
- g) Calculate the value of closing inventory using FIFO (first in, first out) and AVCO (average cost) – both periodic weighted average and continuous weighted average.^[S]
- h) Understand the impact of accounting concepts on the valuation of inventory.^[K]
- i) Identify the impact of inventory valuation methods on profit and on assets.^[S]

4. Tangible non-current assets

- a) Define non-current assets.^[K]
- b) Recognise the difference between current and non-current assets.^[K]
- c) Explain the difference between capital and revenue items.^[K]
- d) Classify expenditure as capital or revenue expenditure.^[S]
- e) Prepare ledger entries to record the acquisition and disposal of non-current assets.^[S]

- f) Calculate and record profits or losses on disposal of non-current assets in the statement of profit or loss including part exchange transactions.^[S]
- g) Record the revaluation of a non-current asset in ledger accounts, the statement of profit or loss and other comprehensive income and in the statement of financial position.^[S]
- h) Calculate the profit or loss on disposal of a revalued asset.^[S]
- i) Illustrate how non-current asset balances and movements are disclosed in financial statements.^[S]
- j) Explain the purpose and function of an asset register.^[K]

5. Depreciation

- a) Understand and explain the purpose of depreciation.^[K]
- b) Calculate the charge for depreciation using straight line and reducing balance methods.^[S]
- c) Identify the circumstances where different methods of depreciation would be appropriate.^[K]
- d) Illustrate how depreciation expense and accumulated depreciation are recorded in ledger accounts.^[S]
- e) Calculate depreciation on a revalued non-current asset including the transfer of excess depreciation between the revaluation surplus and retained earnings.^[S]
- f) Calculate the adjustments to depreciation necessary if changes are made in the estimated useful life and/or residual value of a non-current asset.^[S]
- g) Record depreciation in the statement of profit or loss and statement of financial position.^[S]

6. Intangible non-current assets and amortisation

- a) Recognise the difference between tangible and intangible non-current assets.^[K]
- b) Identify types of intangible assets.^[K]
- c) Identify the definition and treatment of “research costs” and “development costs” in accordance with International Financial Reporting Standards.^[K]
- d) Calculate amounts to be capitalised as development expenditure or to be expensed from given information.^[S]
- e) Explain the purpose of amortisation.^[K]
- f) Calculate and account for the charge for amortisation.^[S]

7. Accruals and prepayments

- a) Understand how the matching concept applies to accruals and prepayments.^[K]
- b) Identify and calculate the adjustments needed for accruals and prepayments in preparing financial statements.^[S]
- c) Illustrate the process of adjusting for accruals and prepayments in preparing financial statements.^[S]
- d) Prepare the journal entries and ledger entries for the creation of an accrual or prepayment.^[S]
- e) Understand and identify the impact on profit and net assets of accruals and prepayments.^[S]

8. Receivables and payables

- a) Explain and identify examples of receivables and payables.^[K]
- b) Identify the benefits and costs of offering credit facilities to customers.^[K]
- c) Understand the purpose of an aged receivables analysis.^[K]
- d) Understand the purpose of credit limits.^[K]

- e) Prepare the bookkeeping entries to write off an irrecoverable debt.^[S]
- f) Record an irrecoverable debt recovered.^[S]
- g) Identify the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position.^[S]
- h) Prepare the bookkeeping entries to create and adjust an allowance for receivables.^[S]
- i) Illustrate how to include movements in the allowance for receivables in the statement of profit or loss and how the closing balance of the allowance should appear in the statement of financial position.^[S]
- j) Account for contras between trade receivables and payables.^[S]
- k) Prepare, reconcile and understand the purpose of supplier statements.^[S]
- l) Classify items as current or non-current liabilities in the statement of financial position.^[S]

9. Provisions and contingencies

- a) Understand the definition of “provision”, “contingent liability” and “contingent asset”.^[K]
- b) Distinguish between and classify items as provisions, contingent liabilities or contingent assets.^[K]
- c) Identify and illustrate the different methods of accounting for provisions, contingent liabilities and contingent assets.^[K]
- d) Calculate provisions and changes in provisions.^[S]
- e) Account for the movement in provisions.^[S]
- f) Report provisions in the final accounts.^[S]

10. Capital structure and finance costs

- a) Understand the capital structure of a limited liability company including:^[K]
 - i) Ordinary shares

- ii) Preference shares (redeemable and irredeemable)
- iii) Loan notes.

- b) Record movements in the share capital and share premium accounts.^[S]
- c) Identify and record the other reserves which may appear in the company statement of financial position.^[S]
- d) Define a bonus (capitalisation) issue and its advantages and disadvantages.^[K]
- e) Define a rights issue and its advantages and disadvantages.^[K]
- f) Record and show the effects of a bonus (capitalisation) issue in the statement of financial position.^[S]
- g) Record and show the effects of a rights issue in the statement of financial position.^[S]
- h) Record dividends in ledger accounts and the financial statements.^[S]
- i) Calculate and record finance costs in ledger accounts and the financial statements.^[S]
- j) Identify the components of the statement of changes in equity.^[K]

E PREPARING A TRIAL BALANCE

1. Trial balance

- a) Identify the purpose of a trial balance.^[K]
- b) Extract ledger balances into a trial balance.^[S]
- c) Prepare extracts of an opening trial balance.^[S]
- d) Identify and understand the limitations of a trial balance.^[K]

2. Correction of errors

- a) Identify the types of error which may occur in bookkeeping systems.^[K]
- b) Identify errors which would be highlighted by the extraction of a trial balance.^[K]

- c) Prepare journal entries to correct errors.^[S]
- d) Calculate and understand the impact of errors on the statement of profit or loss and other comprehensive income and statement of financial position.^[S]

3. Control accounts and reconciliations

- a) Understand the purpose of control accounts for accounts receivable and accounts payable.^[K]
- b) Understand how control accounts relate to the double-entry system.^[K]
- c) Prepare ledger control accounts from given information.^[S]
- d) Perform control account reconciliations for accounts receivable and accounts payable.^[S]
- e) Identify errors which would be highlighted by performing a control account reconciliation.^[K]
- f) Identify and correct errors in control accounts and ledger accounts.^[S]

4. Bank reconciliations

- a) Understand the purpose of bank reconciliations.^[K]
- b) Identify the main reasons for differences between the cash book and the bank statement.^[K]
- c) Correct cash book errors and/or omissions.^[S]
- d) Prepare bank reconciliation statements.^[S]
- e) Derive bank statement and cash book balances from given information.^[S]
- f) Identify the bank balance to be reported in the final accounts.^[S]

5. Suspense accounts

- a) Understand the purpose of a suspense account.^[K]
- b) Identify errors leading to the creation of a suspense account.^[K]

- c) Record entries in a suspense account.^[S]
- d) Make journal entries to clear a suspense account.^[S]

F PREPARING BASIC FINANCIAL STATEMENTS

1. Statements of financial position

- a) Recognise how the accounting equation, accounting treatments (as stipulated within sections D, E and examinable documents) and business entity convention underlie the statement of financial position.^[K]
- b) Understand the nature of reserves.^[K]
- c) Identify and report reserves in a company statement of financial position.^[S]
- d) Prepare a statement of financial position or extracts as applicable from given information using accounting treatments as stipulated within sections D, E and examinable documents.^[S]
- e) Understand why the heading retained earnings appears in a company statement of financial position.^[K]

2. Statements of profit or loss and other comprehensive income

- a) Prepare a statement of profit or loss and other comprehensive income or extracts as applicable from given information using accounting treatments as stipulated within section D, E and examinable documents.^[S]
- b) Understand how accounting concepts apply to revenue and expenses.^[K]
- c) Calculate revenue, cost of sales, gross profit, profit for the year, and total comprehensive income from given information.^[S]
- d) Disclose items of income and expenditure in the statement of profit or loss.^[S]
- e) Record income tax in the statement of profit or loss of a company including the under and overprovision of tax in the prior year.^[S]

- f) Understand the interrelationship between the statement of financial position and the statement of profit or loss and other comprehensive income. ^[K]
- g) Identify items requiring separate disclosure on the face of the statement of profit or loss. ^[K]

3. Disclosure notes

- a) Explain the purpose of disclosure notes ^[K]
- b) Draft the following disclosure notes ^[S]
 - i) Non current assets including tangible and intangible assets
 - ii) Provisions
 - iii) Events after the reporting period
 - iv) Inventory

4. Events after the reporting period

- a) Define an event after the reporting period in accordance with International Financial Reporting Standards. ^[K]
- b) Classify events as adjusting or non-adjusting. ^[S]
- c) Distinguish between how adjusting and non-adjusting events are reported in the financial statements. ^[K]

5 Statements of cash flows (excluding partnerships)

- a) Differentiate between profit and cash flow. ^[K]
- b) Understand the need for management to control cash flow. ^[K]
- c) Recognise the benefits and drawbacks to users of the financial statements of a statement of cash flows. ^[K]
- d) Classify the effect of transactions on cash flows. ^[S]
- e) Calculate the figures needed for the statement of cash flows including: ^[S]
 - i) Cash flows from operating activities
 - ii) Cash flows from investing activities
 - iii) Cash flows from financing activities

- f) Calculate the cash flow from operating activities using the indirect and direct method. ^[S]

- g) Prepare statements of cash flows and extracts from statements of cash flows from given information. ^[S]

- h) Identify the treatment of given transactions in a company's statement of cash flows. ^[K]

6. Incomplete records

- a) Understand and apply techniques used in incomplete record situations: ^[S]
 - i) Use of accounting equation
 - ii) Use of ledger accounts to calculate missing figures
 - iii) Use of cash and/or bank summaries
 - iv) Use of profit percentages to calculate missing figures.

G PREPARING SIMPLE CONSOLIDATED FINANCIAL STATEMENTS

1. Subsidiaries

- a) Define and describe the following terms in the context of group accounting: ^[K]
 - i) Parent
 - ii) Subsidiary
 - iii) Control
 - iv) Consolidated or group financial statements
 - v) Non-controlling interest
 - vi) Trade / simple investment
- b) Identify subsidiaries within a group structure. ^[K]
- c) Describe the components of and prepare a consolidated statement of financial position or extracts thereof including: ^[S]
 - i) Fair value adjustments at acquisition on land and buildings (excluding depreciation adjustments)
 - ii) Fair value of consideration transferred from cash and shares (excluding deferred and contingent consideration)
 - iii) Elimination of intra-group trading balances (excluding cash and goods in transit)
 - iv) Removal of unrealised profit arising on intra-group trading
 - v) Acquisition of subsidiaries part way through the financial year

- d) Calculate goodwill (excluding impairment of goodwill) using the full goodwill method only as follows: ^[S]
- | | |
|----------------------------------------------|----------|
| Fair value of consideration | X |
| Fair value of non-controlling interest | X |
| Less fair value of net assets at acquisition | (X) |
| Goodwill at acquisition | <u>X</u> |
- e) Describe the components of and prepare a consolidated statement of profit or loss or extracts thereof including: ^[S]
- i) Elimination of intra-group trading balances (excluding cash and goods in transit)
 - ii) Removal of unrealised profit arising on intra-group trading
 - iii) Acquisition of subsidiaries part way through the financial year

2. Associates

- a) Define and identify an associate and significant influence and identify the situations where significant influence or participating interest exists. ^[K]
- b) Describe the key features of a parent-associate relationship and be able to identify an associate within a group structure. ^[K]
- c) Describe the principle of equity accounting ^[K]

H INTERPRETATION OF FINANCIAL STATEMENTS

1. Importance and purpose of analysis of financial statements

- a) Describe how the interpretation and analysis of financial statements is used in a business environment. ^[K]
- b) Explain the purpose of interpretation of ratios ^[K].

2. Ratios

- a) Calculate key accounting ratios ^[S]
 - i) Profitability
 - ii) Liquidity
 - iii) Efficiency
 - iv) Position
- b) Explain the interrelationships between ratios ^[K]

3. Analysis of financial statements

- a) Calculate and interpret the relationship between the elements of the financial statements with regard to profitability, liquidity, efficient use of resources and financial position ^[S].
- b) Draw valid conclusions from the information contained within the financial statements and present these to the appropriate user of the financial statements. ^[S]

SUMMARY OF CHANGES TO F3/FFA

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders including employers, students, regulatory and advisory bodies and learning providers. These syllabus changes take effect from 1st September each year.

The detailed changes to the syllabus are summarised in the table below.

Section and subject area	Syllabus content
Describe the components of and prepare a consolidated statement of profit or loss or extracts thereof including: ^[S] <ul style="list-style-type: none">i) Elimination of intra-group trading balances (excluding cash and goods in transit)ii) Removal of unrealised profit arising on intra-group tradingiii) Acquisition of subsidiaries part way through the financial year.	This learning outcome has been amended so that “other comprehensive income” is no longer assessed within the section of this syllabus relating to consolidated financial statements.