

ACCA

SBR

Strategic Business
Reporting

Study Text

KAPLAN PUBLISHING'S STATEMENT OF PRINCIPLES

LINGUISTIC DIVERSITY, EQUALITY AND INCLUSION

We are committed to diversity, equality and inclusion and strive to deliver content that all users can relate to.

We are here to make a difference to the success of every learner.

Clarity, accessibility and ease of use for our learners are key to our approach.

We will use contemporary examples that are rich, engaging and representative of a diverse workplace.

We will include a representative mix of race and gender at the various levels of seniority within the businesses in our examples to support all our learners in aspiring to achieve their potential within their chosen careers.

Roles played by characters in our examples will demonstrate richness and diversity by the use of different names, backgrounds, ethnicity and gender, with a mix of sexuality, relationships and beliefs where these are relevant to the syllabus.

It must always be obvious who is being referred to in each stage of any example so that we do not detract from clarity and ease of use for each of our learners.

We will actively seek feedback from our learners on our approach and keep our policy under continuous review. If you would like to provide any feedback on our linguistic approach, please use this form (you will need to enter the link below into your browser).

https://docs.google.com/forms/d/1Vc4mltBPrfViy8AhfyKcJMHQKBmLaLPoa_WPqFNf4MI/edit

We will seek to devise simple measures that can be used by independent assessors to randomly check our success in the implementation of our Linguistic Equality, Diversity and Inclusion Policy.

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library.

Published by:

Kaplan Publishing UK
Unit 2 The Business Centre
Molly Millar's Lane
Wokingham
Berkshire
RG41 2QZ

ISBN: 978-1-83996-123-6

© Kaplan Financial Limited, 2022

The text in this material and any others made available by any Kaplan Group company does not amount to advice on a particular matter and should not be taken as such. No reliance should be placed on the content as the basis for any investment or other decision or in connection with any advice given to third parties. Please consult your appropriate professional adviser as necessary. Kaplan Publishing Limited, all other Kaplan group companies, the International Accounting Standards Board, and the IFRS Foundation expressly disclaim all liability to any person in respect of any losses or other claims, whether direct, indirect, incidental, consequential or otherwise arising in relation to the use of such materials. Printed and bound in Great Britain.

Acknowledgements

These materials are reviewed by the ACCA examining team. The objective of the review is to ensure that the material properly covers the syllabus and study guide outcomes, used by the examining team in setting the exams, in the appropriate breadth and depth. The review does not ensure that every eventuality, combination or application of examinable topics is addressed by the ACCA Approved Content. Nor does the review comprise a detailed technical check of the content as the Approved Content Provider has its own quality assurance processes in place in this respect.

This Product includes propriety content of the International Accounting Standards Board which is overseen by the IFRS Foundation, and is used with the express permission of the IFRS Foundation under licence. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission of Kaplan Publishing and the IFRS Foundation.



The IFRS Foundation logo, the IASB logo, the IFRS for SMEs logo, the "Hexagon Device", "IFRS Foundation", "eIFRS", "IAS", "IASB", "IFRS for SMEs", "IFRS", "IASs", "IFRSs", "International Accounting Standards" and "International Financial Reporting Standards", "IFRIC" and "IFRS Taxonomy" are **Trade Marks** of the IFRS Foundation.



Trade Marks

The IFRS Foundation logo, the IASB logo, the IFRS for SMEs logo, the "Hexagon Device", "IFRS Foundation", "eIFRS", "IAS", "IASB", "IFRS for SMEs", "NIIF" IASs "IFRS", "IFRSs", "International Accounting Standards", "International Financial Reporting Standards", "IFRIC", "SIC" and "IFRS Taxonomy".

Further details of the Trade Marks including details of countries where the Trade Marks are registered or applied for are available from the Foundation on request.

This product contains material that is ©Financial Reporting Council Ltd (FRC). Adapted and reproduced with the kind permission of the Financial Reporting Council. All rights reserved. For further information, please visit www.frc.org.uk or call +44 (0)20 7492 2300.

Contents

		Page
Chapter 1	Frameworks	1
Chapter 2	The professional and ethical duty of the accountant	27
Chapter 3	Performance reporting	37
Chapter 4	Revenue	57
Chapter 5	Non-current assets	83
Chapter 6	Agriculture and inventories	129
Chapter 7	Foreign currency in individual financial statements	139
Chapter 8	Leases	155
Chapter 9	Employee benefits	181
Chapter 10	Share-based payment	211
Chapter 11	Events after the reporting period, provisions and contingencies	237
Chapter 12	Financial instruments	257
Chapter 13	Tax	317
Chapter 14	Segment reporting	343
Chapter 15	Related parties	353
Chapter 16	Adopting new accounting standards	367
Chapter 17	Small and medium entities	375
Chapter 18	Group accounting – basic groups	381
Chapter 19	Change in a group structure	441
Chapter 20	Group accounting – foreign currency	481
Chapter 21	Group statement of cash flows	503
Chapter 22	Analysis and interpretation	547
Chapter 23	Current issues	585

Chapter 24	UK GAAP	601
Chapter 25	Employability and technology skills	623
Chapter 26	Questions & Answers	631
Chapter 27	References	665
Index		I.1



Introduction

This document references IFRS® Standards and IAS® Standards, which are authored by the International Accounting Standards Board (the Board), and published in the 2022 IFRS Standards Red Book.

How to use the Materials

Strategic Business Reporting is an exam at the Strategic Professional level of the ACCA qualification. It assumes knowledge acquired at the Fundamentals level including the core technical capabilities to prepare and analyse financial reports for single and combined entities

These Kaplan Publishing learning materials have been carefully designed to make your learning experience as easy as possible and to give you the best chances of success in your examinations.

The product range contains a number of features to help you in the study process. They include:

- 1 Detailed study guide and syllabus objectives
- 2 Description of the examination
- 3 Study skills and revision guidance
- 4 Study text
- 5 Question practice

The sections on the study guide, the syllabus objectives, the examination and study skills should all be read before you commence your studies. They are designed to familiarise you with the nature and content of the examination and give you tips on how to best to approach your learning.

The **Study Text** comprises the main learning materials and gives guidance as to the importance of topics and where other related resources can be found. Each chapter includes:

- The **learning objectives** contained in each chapter, which have been carefully mapped to the examining body's own syllabus learning objectives or outcomes. You should use these to check you have a clear understanding of all the topics on which you might be assessed in the examination.
- The **chapter diagram** provides a visual reference for the content in the chapter, giving an overview of the topics and how they link together.
- The **content** for each topic area commences with a brief explanation or definition to put the topic into context before covering the topic in detail. You should follow your studying of the content with a review of the illustration/s. These are worked examples which will help you to understand better how to apply the content for the topic.

- **Test your understanding** sections provide an opportunity to assess your understanding of the key topics by applying what you have learned to short questions. Answers can be found at the back of each chapter.
- **Summary diagrams** complete each chapter to show the important links between topics and the overall content of the paper. These diagrams should be used to check that you have covered and understood the core topics before moving on.
- **Question practice** is provided through this text.

Quality and accuracy are of the utmost importance to us so if you spot an error in any of our products, please send an email to mykaplanreporting@kaplan.com with full details, or follow the link to the feedback form in MyKaplan.

Our Quality Coordinator will work with our technical team to verify the error and take action to ensure it is corrected in future editions.

Icon Explanations



Definition – Key definitions that you will need to learn from the core content.



Key point – Identifies topics that are key to success and are often examined.



Supplementary reading – These sections will help to provide a deeper understanding of core areas. The supplementary reading is **NOT** optional reading. It is vital to provide you with the breadth of knowledge you will need to address the wide range of topics within your syllabus that could feature in an exam question. **Reference to this text is vital when self studying.**



Test your understanding – Exercises for you to complete to ensure that you have understood the topics just learned.



Illustration – Worked examples help you understand the core content better.



Tutorial note – Included to explain some of the technical points in more detail.



Footsteps – Helpful tutor tips.