ACCA FR consolidated SFP workings checklist

Use this one-page checklist for any consolidated statement of financial position question in ACCA Financial Reporting (FR). Work through it in order.

W1 Group structure

- Parent's shares ÷ subsidiary's equity shares = group %
- NCI % = 100% group %
- Date of acquisition and months since acquisition

W2 Net assets of the subsidiary

Item	Acquisition	Reporting date
Equity shares	X	X
Retained earnings	X	X
Fair value adjustments	X	X
Extra depreciation on fair value adjustments	n/a	(X)
Unrealised profit (subsidiary sold)	n/a	(X)
Net assets	A	B

Post-acquisition profit = B A

W3 Goodwill

- Consideration: cash, shares at market value, deferred cash at present value
- Add NCI at acquisition (fair value or proportionate share, as the question says)
- Less net assets at acquisition (A from W2)
- Less impairment to date

W4 Non-controlling interest

- NCI at acquisition (from W3)
- Add NCI % × post-acquisition profit (from W2)
- Less NCI % × goodwill impairment (fair value method only)

W5 Group retained earnings

- Parent's retained earnings
- Less unrealised profit (parent sold)
- Less unwinding of discount on deferred consideration
- Add group % × post-acquisition profit (from W2)
- Less group share of goodwill impairment (all of it under the proportionate method)

Intra-group adjustments

- Cash or goods in transit: adjust at the receiving end first
- Cancel matching intra-group receivables and payables
- Unrealised profit: markup on cost means profit ÷ (100 + markup); margin means profit ÷ 100
- Reduce inventory by unrealised profit. Never add it to assets

Final checks

- Investment in subsidiary removed and replaced by goodwill
- Share capital and share premium are the parent's only
- Fair value adjustment and extra depreciation added to non-current assets
- Deferred consideration shown as a liability, including the unwinding
- Total assets equal total equity and liabilities

Source: ACCA, Financial Reporting examiner approach and FR examiner's reports (September/December 2022 and 2025). Last checked: 17 November 2026.