

# Strategic Business Reporting (INT)

## March 2020

### Get to know your exam

*These graphical representations are intended to give an indication of past exam requirements and associated question content.*

*Please note that you will not be able to complete answers within these documents and in isolation they will not sufficiently prepare you for your exam.*

*We encourage you to visit the ACCA Practice Platform in order to attempt up to date practice exams within the computer-based exam environment.*

## Instruction screens





Strategic Business Reporting - International (SBR - INT)

Welcome [redacted] to the [redacted] exam.

You will now be presented with four instruction screens followed by an exam summary screen. The five screens will be available for 10 minutes in total.

### Instructions (1 of 4)

#### The Workspace

- Your exam consists of a number of questions. Each question is presented in a workspace. Each workspace will include:
  - Introductory information about the question.
  - Exhibits – these contain the question scenario content broken down into sections or sources of information you will need to answer the question requirement(s).
  - Requirements – these list the requirement(s) you are expected to answer in the workspace.
  - Response Options – you may be presented with one or more word processor and/or spreadsheet response options within which to construct your answer.
- When selected, the exhibits, requirements and response options will display in windows, which can be moved and resized as required.
- You can close each window individually or close all windows at once by selecting  **Close All** on the top toolbar. Note that any answers you have entered into the response options will be saved and you can re-open them and change your answers at any time.
- There is a splitter bar which can be used for you to see more or less of the left or right hand side of the screen, as required.
- When using PDF exhibits in the exam, and you want to select text to highlight, strikethrough or copy, you need to select the 'text tool' button  at the top of the exhibit.
- You can highlight or strikethrough text in the introductory information, PDF exhibits or requirements by selecting  **Highlight** or  **Strikethrough**.
- You can copy and paste between exhibits, requirements and response options by using the Ctrl-C (Copy) and Ctrl-V (Paste) shortcuts. **Note:** When pasting into a spreadsheet response from elsewhere in workspace you must double-click the cell or select the formula bar.

---

**Note:** In a number of countries ACCA works in partnership with the national professional accountancy organisation in the delivery of examinations.




Next →

## Instruction screens (continued)


Strategic Business Reporting - International (SBR - INT)

### Instructions (2 of 4)


#### Navigation

- The question number you are viewing is displayed in the top display bar. You can hide or restore this display by selecting .
- You can navigate between screens by selecting **Next**  or **Previous** , or by clicking on a question number from the Navigator or Item Review screens.
- You can revisit questions and change your answers at any time during the exam.




#### Time Remaining

- The time remaining for your exam continually updates and is displayed in the top display bar. You can hide or restore this display by clicking .
- You will be presented with a message confirming when you have 15 minutes remaining.


#### Flag for Review

- If you wish to revisit/review a question later in the exam, click  **Flag for Review**.
- Click the button again to remove the flag.

#### Help

- Click the **Help** button provided to access:
  - A copy of these exam instructions.
  - Help and guidance on workspaces.
  - Formulae sheets/tax tables if your exam requires these. Note that the name of the Help button will indicate if formulae sheets/tax tables are available i.e.  **Help**,  **Help/Formulae Sheet** Or  **Help/Tax Tables**

#### Calculator


- You have the option to use the on-screen standard or scientific calculators by selecting  **Calculator**.
- Note that you are also permitted to use your own calculator providing it does not have the facility to store or display text.

← Previous Next →


## Instruction screens (continued)

### Instructions (3 of 4)


#### Workings/Scratch Pad

- You may use an on-screen Scratch Pad to make notes/workings by selecting  **Scratch Pad**
- You can cut and copy text from the Scratch Pad and paste into your response options using the Ctrl-C (Copy), Ctrl-X (Cut) and Ctrl-V (Paste) shortcuts, or the on-screen buttons. **Note:** When pasting into a spreadsheet response you must double-click the cell or select the formula bar.
- The Scratch Pad retains all notes/workings entered for all workspaces. These are available for the duration of the exam but will not be submitted for marking.
- You will also be provided with paper for notes/workings should you prefer to use it. This will be collected at the end of the exam and must not be removed from the exam room.
- **Important:**
  - The notes/workings entered onto the Scratch Pad or your workings paper will not be marked.
  - If you want the marker to see any notes/workings for question requirements you must show them within the relevant response options.

#### Symbol

- You can add a selection of currency symbols to your answers by selecting  **Symbol** on the top toolbar.

#### Navigator Screen

- Navigator can be accessed at any time during the exam by selecting  **Navigator**.
- This screen allows you to jump to any question number in the exam.
- It also allows you to see the status of each question and whether it has been viewed, attempted or flagged for review.

## Instruction screens (continued)

Strategic Business Reporting - International (SBR - INT)

**Instructions (4 of 4)**

**Exiting the Exam**

- The exam will automatically end when the allocated time has been reached.
- If, however, you wish to end the exam before this time you must:
  - Navigate to the **last question** in the exam.
  - Click **Next** →.
- This takes you to the Item Review screen:

**Item Review Screen**

  - This screen gives you an opportunity to see the flag and completion status of all questions before you finally exit the exam.
  - You can select individual questions you wish to revisit, or quickly access groups of questions from this screen.
  - During the item review period Navigator is not available however you can navigate to questions by selecting **Next** →, **← Previous** or **Review Screen**
  - Once you have completed your item review and wish to finally end the exam click **End Exam**

Select **Next** to move to the Exam Summary screen.

← Previous Next →

## Exam summary screen

Strategic Business Reporting - International (SBR - INT)

### Exam Summary

**Time allowed:** 3 hours 15 minutes.

This exam is divided into two sections:

#### Section A

- Two questions worth 50 marks in total.

#### Section B

- Two questions, each worth 25 marks.
- 50 marks in total.

All questions are compulsory.

Select **Next** to start your exam.

This exam makes reference to trade marks which are owned by the IFRS Foundation, and used by ACCA under licence. The IFRS Foundation has trade marks registered around the world including: 'IAS<sup>®</sup>', 'IASB<sup>®</sup>', 'IFRIC<sup>®</sup>', 'IFRS<sup>®</sup>', the IFRS<sup>®</sup> logo, 'IFRS for SMEs<sup>®</sup>', 'IFRS for SMEs<sup>®</sup> logo, the 'Hexagon Device', 'International Accounting Standards<sup>®</sup>', 'International Financial Reporting Standards<sup>®</sup>', 'NIIF<sup>®</sup>' and 'SIC<sup>®</sup>'. Further details of the IFRS Foundation's trade marks are available from the IFRS Foundation on request.

← Previous Next →

## Section A Introduction

### Section A

This section of the exam contains **two questions**.

This exam section is worth **50 marks** in total.

#### Important:

You must:

- Indicate which requirement each of your responses relate to so that this is clear for markers.
- Show all notes/workings that you want the marker to see within your responses. Remember, any notes/workings made on the Scratch Pad or on your workings paper will not be marked.

Select **Next** to continue.

# Question 1

Strategic Business Reporting - International (SBR - INT) 1 of 4

Symbol   Highlight Strikethrough Calculator Scratch Pad Close All Flag for Review

**Exhibits**

- 1. Crotchet Co: functional currency
- 2. The acquisition of Crotchet Co
- 3. The acquisition of Quaver Co
- 4. Impairment of bonds

**Requirements**

- Requirements (30 marks)

**Response Options**

- Word Processor
- Spreadsheet

Humming Co is the parent company of a multinational listed group of companies. Humming Co uses the dollar (\$) as its functional currency. Humming Co acquired 80% of the equity shares of Crotchet Co on 1 January 20X4 and 100% of Quaver Co on the same date. The group's current financial year end is 31 December 20X4.

The following **exhibits**, available on the left-hand side of the screen, provide information relevant to the question:



1. Crotchet Co: functional currency – provides information which should be used to determine the functional currency of Crotchet Co.
2. The acquisition of Crotchet Co – describes the purchase of Crotchet Co on 1 January 20X4, including contracts that it has with its customers at the date of acquisition.
3. The acquisition of Quaver Co – provides information that relates to the purchase of Quaver Co on 1 January 20X4.
4. Impairment of bonds – explains the purchase of bonds in Stave Co on 31 December 20X3 and provides further information about their potential impairment.

This information should be used to answer the question **requirements** within your chosen **response option(s)**.

Help← Previous Navigator Next →



## Requirements

Requirements (30 marks)  

Draft an explanatory note to the directors of Hummings Co, addressing the following:

(a) how the functional currency of Crotchet Co should be determined; (5 marks)

(b)(i) how Crotchet Co's customer contracts should be accounted for in the consolidated financial statements of Hummings Co, which are presented in dollars (\$), for the year ended 31 December 20X4; (4 marks)

(b)(ii) a calculation of the goodwill on acquisition of Crotchet Co (in Grommits) and how it would be accounted for in the consolidated statement of financial position of Hummings Co at 31 December 20X4 after translation. Include a brief explanation and calculation of how the impairment and exchange difference on goodwill will impact on the consolidated financial statements; (6 marks)

(c) how Quaver Co should be accounted for in the group financial statements at 31 December 20X4; and (4 marks)

(d) a calculation and discussion of how the bonds should be accounted for in the financial statements of Hummings Co as at 31 December 20X3 and for the year ended 31 December 20X4, including any impairment losses. (11 marks)

## Exhibit 1

1. Crotchet Co: functional currency

The head office of Crotchet Co is located in a country which uses the dinar as its main currency. However, its staff are located in a variety of other locations. Consequently, half of their employees are paid in dinars and the other half are paid in the currency of grommits. Crotchet Co has a high degree of autonomy and is not reliant on finance from Hummings Co, nor do sales to Hummings Co make up a significant proportion of their income. All of its sales and purchases are invoiced in grommits and therefore Crotchet Co raises most of its finance in grommits. Cash receipts are retained in both grommits and dinars. Crotchet Co does not own a dollar (\$) bank account. Crotchet Co is required by law to pay tax on its profits in dinars.

## Exhibit 2

2. The acquisition of Crotchet Co

Hummings Co paid cash of \$24 million for the 80% holding in Crotchet Co on 1 January 20X4. Hummings Co has a policy of measuring non-controlling interests at fair value. The fair value of the non-controlling interests in Crotchet Co on 1 January 20X4 was \$6 million. Since Crotchet Co has a range of net assets held domestically and overseas, the fair values of the net assets at acquisition were determined in their local currency. Hence, the fair value of some assets have been determined in dinars and others in grommits. The total fair value of the net assets denominated in grommits at 1 January 20X4 were 43 million grommits. The total fair value of the net assets denominated in dinars at 1 January 20X4 were 50 million dinars.

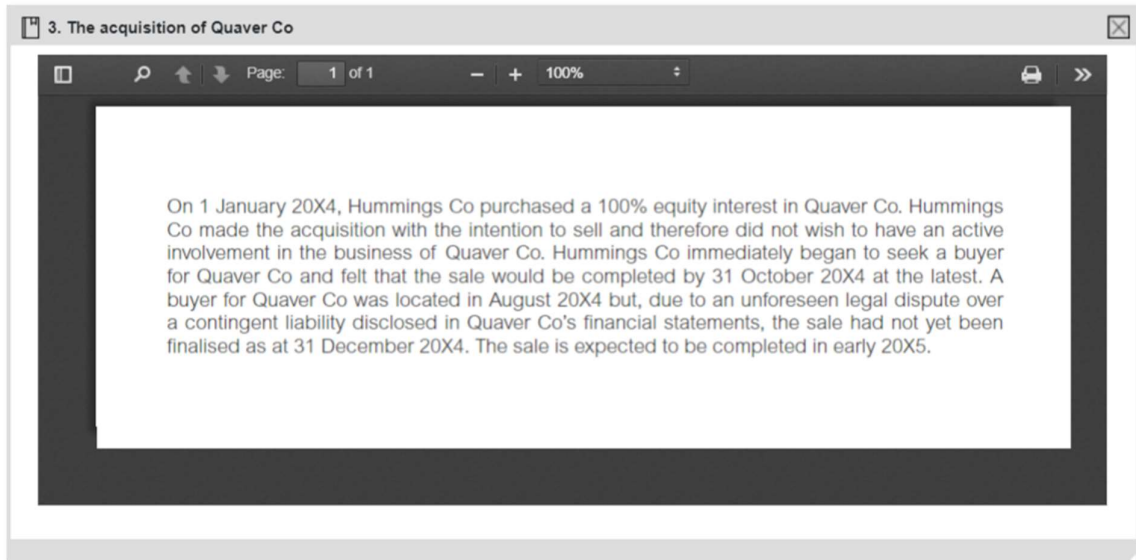
Excluded from these fair values are several contracts with the customers of Crotchet Co. These contractual relationships prohibit the customers of Crotchet Co from obtaining services from any of the main competitors of Crotchet Co. They have an estimated fair value at 1 January 20X4 of 15 million grommits.

At 31 December 20X4, it was decided to impair goodwill by 30%.

The following is a summary of the exchange rates between the dollar, grommits and dinars at 1 January 20X4 and 31 December 20X4:

1 January 20X4	31 December 20X4
\$1:8 grommits	\$1:7 grommits
\$1:4 dinar	\$1:3.5 dinar
1 dinar:2 grommits	1 dinar:2 grommits

### Exhibit 3

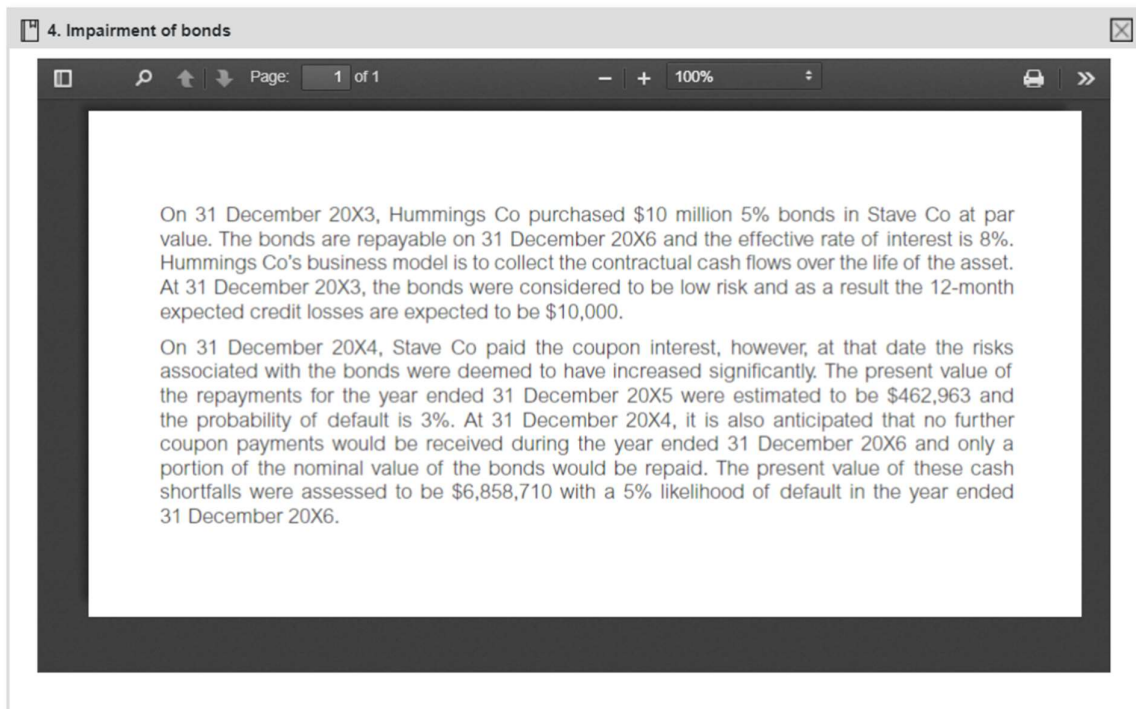


3. The acquisition of Quaver Co

Page: 1 of 1 100%

On 1 January 20X4, Hummings Co purchased a 100% equity interest in Quaver Co. Hummings Co made the acquisition with the intention to sell and therefore did not wish to have an active involvement in the business of Quaver Co. Hummings Co immediately began to seek a buyer for Quaver Co and felt that the sale would be completed by 31 October 20X4 at the latest. A buyer for Quaver Co was located in August 20X4 but, due to an unforeseen legal dispute over a contingent liability disclosed in Quaver Co's financial statements, the sale had not yet been finalised as at 31 December 20X4. The sale is expected to be completed in early 20X5.

### Exhibit 4



4. Impairment of bonds

Page: 1 of 1 100%

On 31 December 20X3, Hummings Co purchased \$10 million 5% bonds in Stave Co at par value. The bonds are repayable on 31 December 20X6 and the effective rate of interest is 8%. Hummings Co's business model is to collect the contractual cash flows over the life of the asset. At 31 December 20X3, the bonds were considered to be low risk and as a result the 12-month expected credit losses are expected to be \$10,000.

On 31 December 20X4, Stave Co paid the coupon interest, however, at that date the risks associated with the bonds were deemed to have increased significantly. The present value of the repayments for the year ended 31 December 20X5 were estimated to be \$462,963 and the probability of default is 3%. At 31 December 20X4, it is also anticipated that no further coupon payments would be received during the year ended 31 December 20X6 and only a portion of the nominal value of the bonds would be repaid. The present value of these cash shortfalls were assessed to be \$6,858,710 with a 5% likelihood of default in the year ended 31 December 20X6.

## Question 2

Strategic Business Reporting - International (SBR - INT) 2 of 4

Symbol   Highlight  Strikethrough   Calculator  Scratch Pad Close All   Flag for Review

**Exhibits**

- 1. Group restructure
- 2. Mrs Shaw

**Requirements**

- Requirements (20 marks)

**Response Options**

- Word Processor

Bagshot Co has a controlling interest in a number of entities. Group results have been disappointing in recent years and the directors of Bagshot Co have been discussing various strategies to improve group performance. The current financial year end is 31 December 20X5.

The following personnel are relevant to the scenario:

Mr Shaw	Head accountant of Bagshot Co
Mrs Dawes	Chief executive of Bagshot Co
Mike Starr	Nephew of Mr Shaw
Mrs Shaw	Wife of Mr Shaw

The following **exhibits**, available on the left-hand side of the screen, provide information relevant to the question:

1. Group restructure – provides details of the group restructure and the restructuring costs associated with it.
2. Mrs Shaw – explains how Mrs Shaw is an existing shareholder of Bagshot Co.

This information should be used to answer the question **requirements** within the **response option** provided.

Help ← Previous ⋮ Navigator Next →

## Requirements

Requirements (20 marks)

(a)(i) Discuss the appropriate accounting treatment of the restructuring costs in the financial statements of Bagshot Co for the year ended 31 December 20X5. (6 marks)

(a)(ii) Discuss what is meant by good stewardship of a company and whether the restructure and the recognition of a restructuring provision in the financial statements are examples of good stewardship. (4 marks)

(a)(iii) Discuss briefly whether Mrs Shaw's acquisition of the equity shares in Bagshot Co should be disclosed as a related party transaction. (3 marks)

(b) Identify and discuss the ethical issues that Mr Shaw needs to consider arising from the scenario and what actions he should take as a consequence. (5 marks)

Professional marks are available in part (b) for the clarity of discussion. (2 marks)

## Exhibit 1

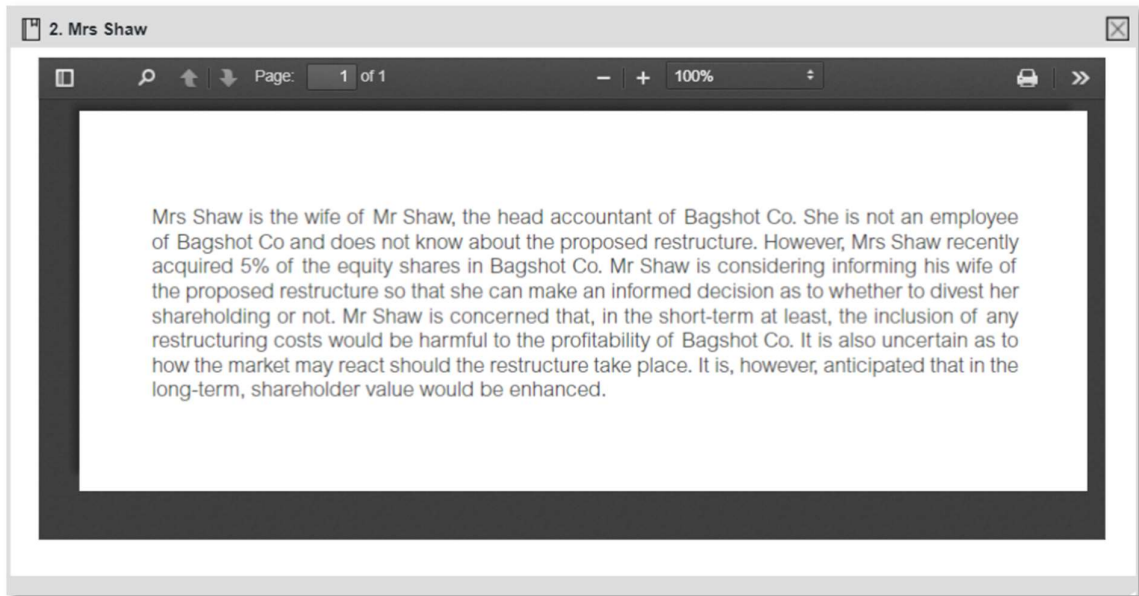
1. Group restructure

Page: 1 of 1 100%

Mr Shaw, an ACCA member, is the head accountant of Bagshot Co. He is not a member of the board of directors. Mrs Dawes, the chief executive of Bagshot Co, is also an ACCA member. During December 20X5, Mrs Dawes revealed plans to Mr Shaw of a potential restructure of the Bagshot group which had been discussed at board meetings. The restructuring plans included a general analysis of expected costs which would be incurred should the restructure take place. These include legal fees, relocation costs for staff and also redundancy costs for a number of employees. One such employee to be made redundant, Mike Starr, is the nephew of Mr Shaw.

Mrs Dawes is insistent that Mr Shaw should include a restructuring provision for all of the expenditure in the financial statements of Bagshot Co for the year ended 31 December 20X5. Mrs Dawes argues that, even if the restructure did not take place exactly as detailed, similar levels of expenditure are likely to be incurred on alternative strategies. It would therefore be prudent to include a restructuring provision for all expenditure. None of the staff other than Mr Shaw have been notified of the plans although Mrs Dawes has informed Mr Shaw that she expects a final decision and public announcement to be made prior to the authorisation of the financial statements.

## Exhibit 2



## Section B Introduction

### Section B

This section of the exam contains **two questions**.

Each question is worth **25 marks** and is compulsory.

This exam section is worth **50 marks** in total.

#### Important:

You must:

- Indicate which requirement each of your responses relate to so that this is clear for markers.
- Show all notes/workings that you want the marker to see within your responses. Remember, any notes/workings made on the Scratch Pad or on your workings paper will not be marked.

Select **Next** to continue.

## Question 3

Strategic Business Reporting - International (SBR - INT) 3 of 4

Symbol   Highlight Strikethrough Calculator Scratch Pad Close All Flag for Review

**Exhibits**

- 1. Stadium sale/leaseback/improvements
- 2. Television programme content rights
- 3. Players' contract costs

**Requirements**

- Requirements (25 marks)

**Response Options**

- Word Processor
- Spreadsheet

Leria Co is an internationally successful football club. Leria Co is preparing the financial statements for the year ending 31 October 20X5 but is currently facing liquidity problems.

The following **exhibits**, available on the left-hand side of the screen, provide information relevant to the question:

1. Stadium sale/leaseback/improvements - provides information about the future sale and lease-back of Leria Co's stadium on 30 November 20X6 and crowd barrier improvements.
2. Television programme content rights - explains how Leria Co has accounted for the content rights of its own television station as intangible assets.
3. Players' contract costs - provides information about the players' contract costs (including the additional performance conditions) that have been capitalised and how these intangible assets might be impaired.

This information should be used to answer the question **requirements** within your chosen **response option(s)**.

Help← Previous ⋮ Navigator Next →



## Requirements

Requirements (25 marks)

(a) Discuss with reference to International Financial Reporting Standards (IFRS):

- (i) whether the directors can classify the stadium as held for sale at 31 October 20X5;
- (ii) Leria Co's accounting treatment of the crowd barrier improvements at 31 October 20X5; and
- (iii) the principles of and the accounting treatment for the sale and leaseback of the stadium at 30 November 20X6.

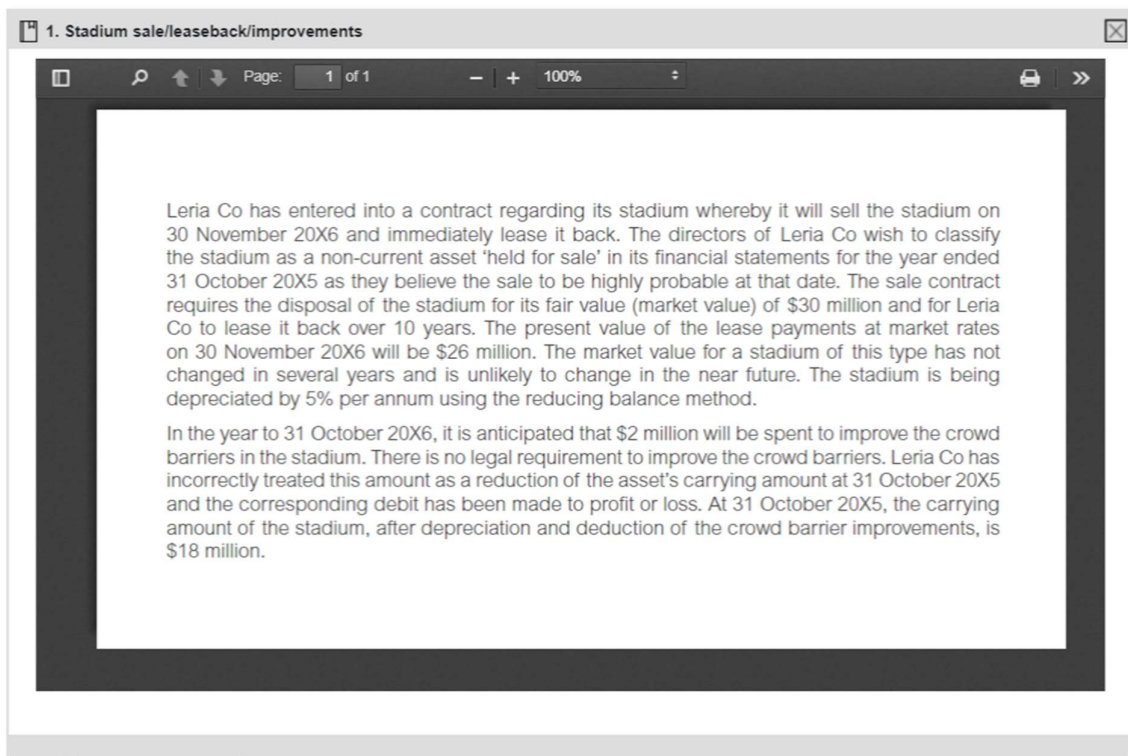
(13 marks)

(b) Discuss:

- (i) whether the amortisation of the intangible assets relating to television programme content rights by Leria Co and by the industry are acceptable policies in accordance with IFRS standards; and
- (ii) how to account for the players' contract costs (including the contingent performance conditions), any impairment that might be required to these non-current assets and whether a player can be considered a single cash generating unit.

(12 marks)

## Exhibit 1



1. Stadium sale/leaseback/improvements

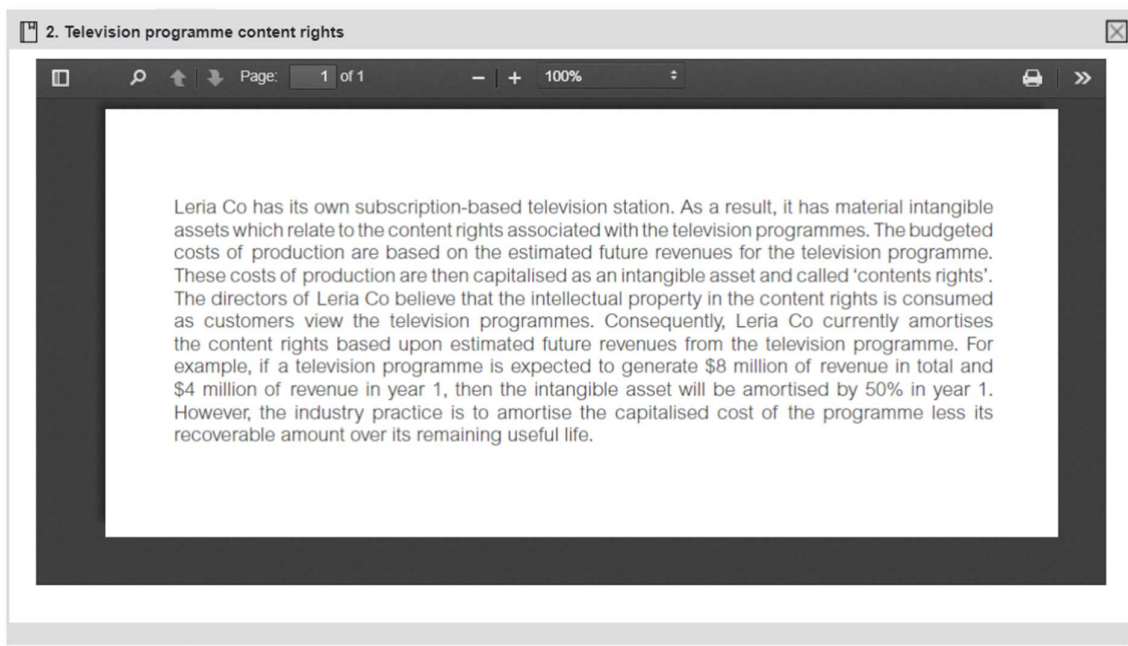
Page: 1 of 1

100%

Leria Co has entered into a contract regarding its stadium whereby it will sell the stadium on 30 November 20X6 and immediately lease it back. The directors of Leria Co wish to classify the stadium as a non-current asset 'held for sale' in its financial statements for the year ended 31 October 20X5 as they believe the sale to be highly probable at that date. The sale contract requires the disposal of the stadium for its fair value (market value) of \$30 million and for Leria Co to lease it back over 10 years. The present value of the lease payments at market rates on 30 November 20X6 will be \$26 million. The market value for a stadium of this type has not changed in several years and is unlikely to change in the near future. The stadium is being depreciated by 5% per annum using the reducing balance method.

In the year to 31 October 20X6, it is anticipated that \$2 million will be spent to improve the crowd barriers in the stadium. There is no legal requirement to improve the crowd barriers. Leria Co has incorrectly treated this amount as a reduction of the asset's carrying amount at 31 October 20X5 and the corresponding debit has been made to profit or loss. At 31 October 20X5, the carrying amount of the stadium, after depreciation and deduction of the crowd barrier improvements, is \$18 million.

## Exhibit 2



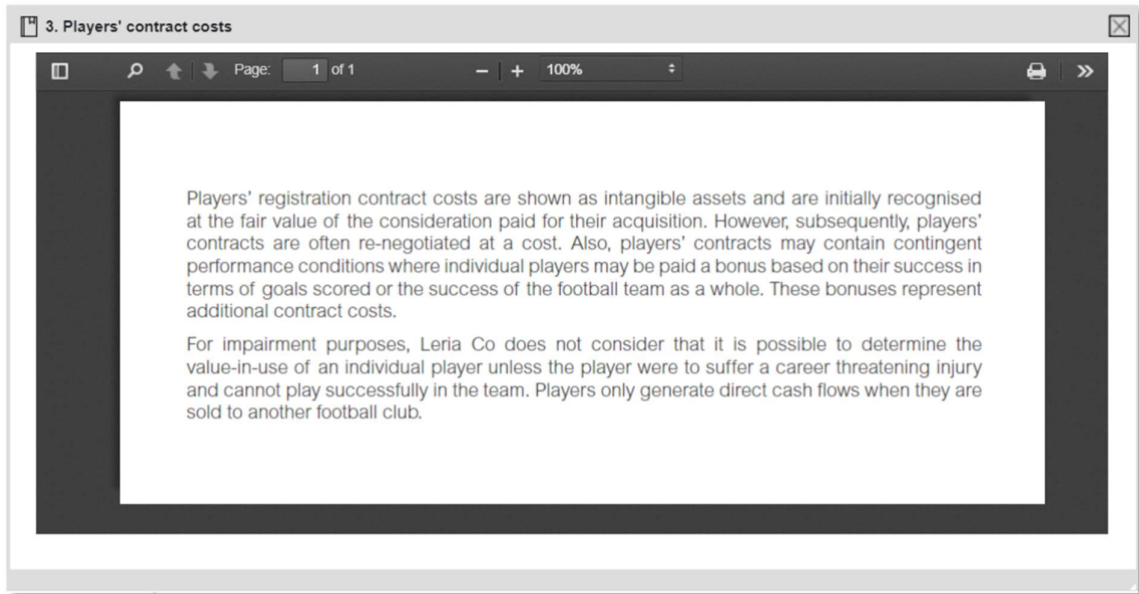
2. Television programme content rights

Page: 1 of 1

100%

Leria Co has its own subscription-based television station. As a result, it has material intangible assets which relate to the content rights associated with the television programmes. The budgeted costs of production are based on the estimated future revenues for the television programme. These costs of production are then capitalised as an intangible asset and called 'contents rights'. The directors of Leria Co believe that the intellectual property in the content rights is consumed as customers view the television programmes. Consequently, Leria Co currently amortises the content rights based upon estimated future revenues from the television programme. For example, if a television programme is expected to generate \$8 million of revenue in total and \$4 million of revenue in year 1, then the intangible asset will be amortised by 50% in year 1. However, the industry practice is to amortise the capitalised cost of the programme less its recoverable amount over its remaining useful life.

## Exhibit 3



## Question 4

Strategic Business Reporting - International (SBR - INT) 4 of 4

**\$** Symbol   ▼ Highlight **⌘** Strikethrough **⌘** Calculator **⌘** Scratch Pad **⌘** Close All **⌘** Flag for Review

**Exhibits**

**1. Head office**

**2. Defined benefit pension scheme**

**Requirements**

**Ⓞ Requirements (25 marks)**

**Response Options**

**📄 Word Processor**

**📊 Spreadsheet**

The directors of Ecoma Co consider environmental, social, and governance issues to be extremely important in a wide range of areas, including new-product development, reputation building and overall corporate strategy. The company is taking a proactive approach to managing sustainability and is actively seeking opportunities to invest in sustainable projects and embed them in their business practices. The company's financial year end is 30 September 20X5.

The following **exhibits**, available on the left-hand side of the screen, provide information relevant to the question:

1. Head office - this provides information about a \$16 million provision that Ecoma Co wishes to make associated with its move to a new head office and the sub-let of its old head office.
2. Defined benefit pension scheme - provides details of Ecoma Co's pension scheme for the year ended 30 September 20X5 and its net obligation at that date.

This information should be used to answer the question **requirements** within your chosen **response option(s)**.

**?** Help ← Previous **⌘** Navigator **⌘** Next →

## Requirements

Requirements (25 marks)

The current developments in sustainability reporting show that there is a global trend towards more extensive and more meaningful narrative reporting. The improvements in the quality and scope of reporting are driven by both regulatory demands and market demands for transparency. "Sustainable investing" describes an approach to investment where environmental, social or governance (ESG) factors, in combination with financial considerations, guide the selection and management of investments.

**(a) Discuss why the disclosure of sustainable information has become an important and influential consideration for investors.**

Note: there is no need to refer to any exhibits to answer part (a). (8 marks)

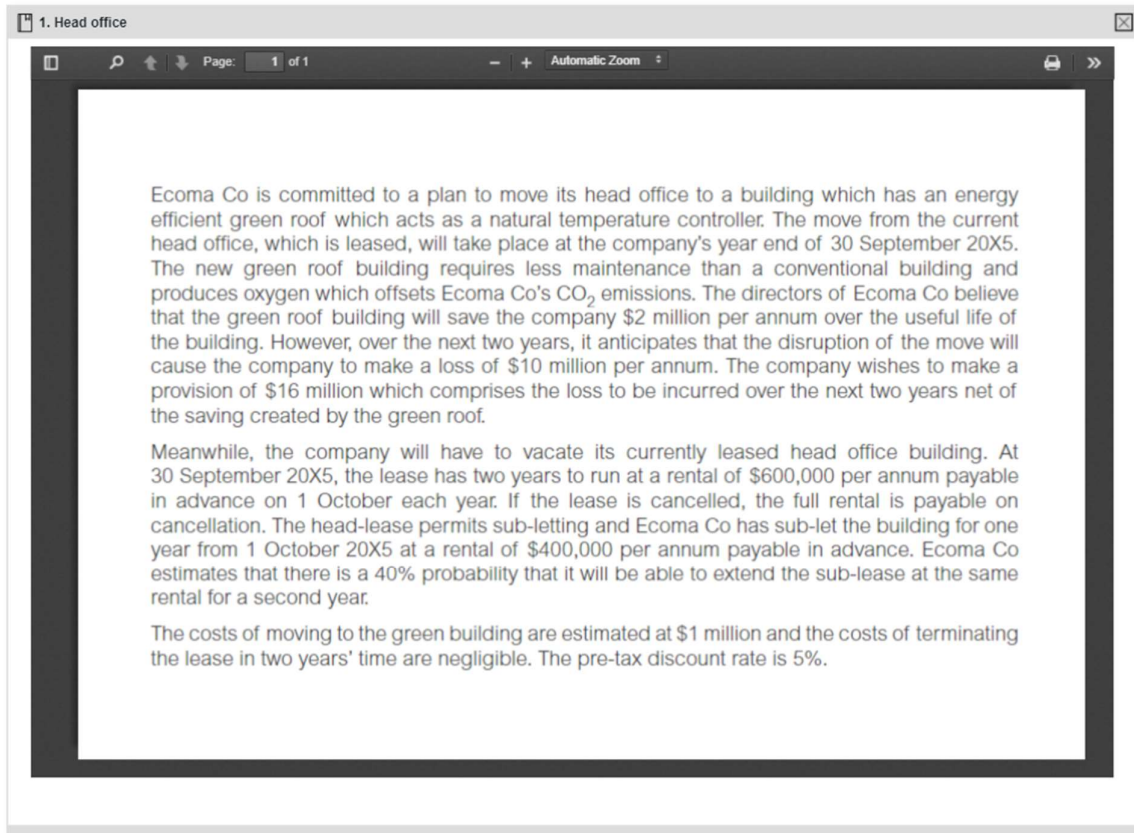
Professional marks will be awarded in part (a) for clarity and quality of discussion. (2 marks)

**(b)(i) Discuss how the \$16 million provision associated with Ecoma Co's move to a new head office and the sub-let of its old head office should be accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.** (6 marks)

**(b)(ii) Advise Ecoma Co on the principles of accounting for the pension scheme, including calculations, for the year to 30 September 20X5.** (7 marks)

**(b)(iii) Calculate the impact that the above adjustments in (b)(i) and (ii) will have on profit before tax of \$25 million for the year ended 30 September 20X5. Ignore any potential tax implications.** (2 marks)

## Exhibit 1



1. Head office

Page: 1 of 1 Automatic Zoom

Ecoma Co is committed to a plan to move its head office to a building which has an energy efficient green roof which acts as a natural temperature controller. The move from the current head office, which is leased, will take place at the company's year end of 30 September 20X5. The new green roof building requires less maintenance than a conventional building and produces oxygen which offsets Ecoma Co's CO<sub>2</sub> emissions. The directors of Ecoma Co believe that the green roof building will save the company \$2 million per annum over the useful life of the building. However, over the next two years, it anticipates that the disruption of the move will cause the company to make a loss of \$10 million per annum. The company wishes to make a provision of \$16 million which comprises the loss to be incurred over the next two years net of the saving created by the green roof.

Meanwhile, the company will have to vacate its currently leased head office building. At 30 September 20X5, the lease has two years to run at a rental of \$600,000 per annum payable in advance on 1 October each year. If the lease is cancelled, the full rental is payable on cancellation. The head-lease permits sub-letting and Ecoma Co has sub-let the building for one year from 1 October 20X5 at a rental of \$400,000 per annum payable in advance. Ecoma Co estimates that there is a 40% probability that it will be able to extend the sub-lease at the same rental for a second year.

The costs of moving to the green building are estimated at \$1 million and the costs of terminating the lease in two years' time are negligible. The pre-tax discount rate is 5%.

## Exhibit 2

2. Defined benefit pension scheme

Page: 1 of 1 Automatic Zoom

Ecoma Co is worried that the poor remuneration package offered to employees is putting the company at risk of reputational damage. Consequently, Ecoma Co changed its pension scheme on 30 September 20X5 to include all of its staff. The benefits accrue from the date of their employment but only vest after two years additional service from 30 September 20X5. The net pension obligation at 30 September 20X5 of \$78m has been updated to include this change. During the year, benefits of \$6 million were paid under the scheme and Ecoma Co contributed \$10 million to the scheme. These payments had been recorded in the financial statements.

The following information relates to the pension scheme:

	<b>\$m</b>
Net pension obligation at 30 September 20X5	78
Net pension obligation at 30 September 20X4	59
Service cost for year	18
Past service cost relating to scheme amendment at 30 September 20X5	9
Discount rate at 30 September 20X4	5.5%
Discount rate at 30 September 20X5	5.9%