



Department
for Education

Accounting and Finance

Level 3 V Level subject content

DRAFT FOR CONSULTATION

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1. Introduction

V Level subject content sets out the knowledge, understanding and skills common to all V Level qualification specifications in this subject. The content provides the framework within which awarding organisations create detailed specifications.

This subject content is grounded in accounting concepts as the conceptual foundation for applied financial understanding. Students will develop the ability to interpret, analyse and evaluate financial and accounting information responsibly within organisational contexts. Finance is positioned as the applied use of accounting information rather than as a standalone technical or occupational discipline.

Applied learning is achieved through structured organisational scenarios, contextualised financial information and case material.

2. Aims

This content enables students to develop and apply knowledge, understanding and skills in accounting and finance. It supports learners to interpret, analyse and evaluate financial information within organisational contexts, and to use that understanding to inform decision making. The content provides a broad level 3 foundation that supports progression to further study and apprenticeships.

Organisational scenarios used within the content should be varied and inclusive, drawing on examples from a range of sectors and organisational contexts to avoid reliance on prior workplace experience or sector-specific knowledge.

Teaching and learning materials developed by awarding organisations should, where possible, include a diverse range of organisational contexts, sectors and leadership examples, reflecting the contribution of individuals and organisations from different backgrounds and communities.

The purpose of this qualification is to enable students to:

Apply their knowledge, skills and understanding to achieve work-related purposes (WRPs) relevant to accounting and finance contexts, including:

- WRP1: Be able to interpret and evaluate financial and accounting information to support organisational decision making
- WRP2: Be able to analyse and evaluate financial performance and position using organisational financial information
- WRP3: Be able to evaluate financial decision making in organisational contexts
- WRP4: Be able to evaluate the ethical and regulatory context of accounting and finance within organisational settings
- WRP5: Be able to communicate and present financial and accounting information in organisational contexts

Through this, develop transferable skills¹, including:

- critical thinking and problem solving through the interpretation and evaluation of accounting and finance information in organisational contexts
- reasoning, evaluation and judgement when assessing alternative courses of action, performance outcomes and financial risks
- communication of financial and accounting information clearly and appropriately to different audiences, including non-specialists

¹ Please refer to the Framework for Transferable Skills and Work-related Behaviours document, published alongside the subject content as part of the consultation.

PROPOSED SUBJECT CONTENT FOR CONSULTATION

- reflection on assumptions, limitations, uncertainty and ethical considerations when applying financial information to real-world contexts

PROPOSED SUBJECT CONTENT FOR CONSULTATION

Develop secure knowledge and understanding of key theories and principles that underpin effective practice in the subject, including:

- accounting concepts (such as accruals, prudence, consistency and materiality) and financial concepts (such as liquidity, profitability, cost behaviour and return on investment) used to describe and evaluate organisational performance and position
- principles, concepts and conventions underpinning accounting and record keeping, including the role of judgement, consistency and control, without requiring technical or occupational competence
- ethical, governance and risk considerations relevant to accounting and finance, including the responsibilities associated with the use and communication of financial information

The aspects listed above are indicative of the scope and intent of the qualification and are not intended to be exhaustive.

The Department does not set mandatory prior learning requirements for V Levels. As V Level content is set at level 3, providers will set their own entry requirements at level 2, including any GCSEs required.

2.1 Progression

V Levels aim to encourage motivation and interest in pursuing careers and further study related to accounting and finance systems and practices, by providing a broad and applied understanding of this, without requiring early occupational specialisation.

The content provides both a strong conceptual foundation for the subject and the basis for developing in-depth understanding of accounting and finance through applying knowledge and skills to achieve practical work-related purposes.

This combination of theory and practice and the transferable skills students develop, should effectively prepare them to access a wide range of related higher-level study and training across multiple sectors. This may include accounting, finance, business and related disciplines, as well as higher and degree apprenticeships where accounting and finance knowledge underpins occupational roles.

3. Subject Content

3.1 Guidance for awarding organisations

Inclusion of content in qualification specifications

All the content outlined in this document must be included in qualification specifications.

Lists of content which start with a colon ‘:’

This denotes that all the content in the list is compulsory and is expected to be included in awarding organisations’ qualification specifications.

Lists of content which start with ‘including’

This denotes that all the content in the list is compulsory and is expected to be included in awarding organisations’ qualification specifications. However, the list is a minimum, awarding organisations may choose to add to the list or not.

Use of ‘e.g.’

This is used to exemplify what is meant by the content statement. Awarding organisations can specify the example cited or other examples in their specifications as appropriate.

3.2 Work-related purposes

Students are expected to apply knowledge, understanding and skills to achieve authentic work-related purposes. Knowledge and understanding specified in this section are expected to be demonstrated through applied activity.

When developing qualification specifications, awarding organisations must allocate between 180 and 220 guided learning hours (GLH) to the development of applied knowledge, understanding and skills directly needed to achieve the defined work-related purposes.

WRP1: Be able to interpret and evaluate financial and accounting information to support organisational decision making

To achieve this work-related purpose, students must apply knowledge and understanding through the interpretation of financial and accounting information within organisational contexts. This includes the use of structured financial data and simple calculations to interpret performance and position, and to support decision making. Students are expected to apply accounting principles, including understanding the dual effect of transactions, alongside numerical skills to explain what financial information indicates and how it informs organisational decisions.

To do this, students must apply the following knowledge and understanding:

- the role of financial and accounting information in supporting decision making within organisational contexts including sole traders, partnerships, limited companies, public sector bodies and third sector organisations, including how financial information informs choices rather than determining outcomes, supported by the application of relevant calculations and accounting principles
- the application of simple and multi-step financial calculations (e.g. profit, costs, variance, cash flow) and how these link to and are derived from accounting concepts and the dual effect of transactions, in order to interpret financial performance and position
- the main types and sources of financial and accounting information used to support organisational review and decision making, including:
 - statements of financial performance
 - statements of financial position
 - cash flow information
 - budget summaries and variance reports
 - cost and contribution data
- interpretation of financial information and indicators in identifying patterns and trends
- how accounting principles, concepts and conventions influence the measurement and presentation of financial information within financial statements, including how transactions are recorded through double entry bookkeeping and processed into financial outputs. Students must apply this understanding by using structured financial data and calculations to interpret how transactions are reflected in financial information, and interpret the impact on organisational performance and position
- the assumptions, estimates and professional judgements that underpin financial and accounting information, and how these affect reliability and comparability

PROPOSED SUBJECT CONTENT FOR CONSULTATION

- the inherent limitations, uncertainty and potential bias within financial and accounting information, including how incomplete or imperfect data may affect interpretation and decision making
- how financial statement extracts, budget summaries and performance indicators are interpreted in relation to organisational objectives, strategic priorities and stakeholder expectations across private, public and third sector organisations

In working to achieve the work-related purpose, students must be able to:

- interpret financial statement extracts, budget summaries and performance indicators within structured organisational scenarios, recognising their purpose, source and intended audience
- analyse financial statement data, cost and contribution information and ratio outputs to compare alternative courses of action, considering both financial and non-financial factors
- evaluate the implications of financial information for short and medium term organisational decisions
- form and justify reasoned judgements using appropriate financial evidence and contextual understanding
- communicate financial interpretations clearly and coherently to relevant stakeholder groups within organisational contexts

The transferable skills that may be developed and demonstrated through completion of this work-related purpose include:

- analytical reasoning when interpreting and comparing financial information
- evaluative judgement when considering assumptions, context and uncertainty
- decision making informed by financial evidence
- professional communication tailored to stakeholder groups
- ethical awareness in the use and presentation of financial information

WRP2: Be able to analyse and evaluate financial performance and position using organisational financial information

To achieve this work-related purpose, students must apply knowledge and understanding through the analysis and evaluation of financial information within organisational contexts, including the use of calculations to assess performance and support judgement. Students must apply numerical skills in a way that demonstrates understanding of accounting principles introduced in WRP1.

To do this, students must apply the following knowledge and understanding:

- the purpose and structure of:
 - statements of financial performance
 - statements of financial position
 - summarised cash flow information
- the calculation and interpretation of financial ratios:
 - profitability
 - liquidity
 - efficiency
 - solvency
- the analysis of financial performance over time, including:
 - comparison across reporting periods
 - trend analysis using consistent timeframes and reporting dates
- how accounting principles and concepts (including accruals, prudence, consistency, materiality and going concern) influence reported financial performance and position, including how they affect calculated financial measures and the interpretation and comparability of financial results. Students must apply these principles by performing relevant calculations using structured financial data, demonstrating how accounting concepts are reflected in financial outputs and influence organisational decision making
- the impact of estimates, professional judgement and accounting choices on reliability and comparability
- the limitations of financial statements and performance data, including how incomplete or imperfect information may affect interpretation
- how financial statement information and performance indicators are interpreted by different stakeholder groups
- how the dual effect of transactions influences financial statement outputs, including how underlying transactions are reflected in financial statement information. Students must apply this understanding by using structured financial data and calculations to demonstrate and interpret the impact on financial performance and position

PROPOSED SUBJECT CONTENT FOR CONSULTATION

Numerical expectations

- students are expected to apply calculations to support interpretation of financial performance, including the use of ratios, percentage change and simplified variance analysis by:
 - calculating and interpreting financial ratios across the following categories: profitability, liquidity, efficiency and solvency, using structured financial information
 - calculating margins and percentage changes
 - analysing simplified variance data
 - interpreting summarised cash flow information in relation to performance and position

Students are not expected to:

- prepare full statutory financial statements
- apply procedural double entry bookkeeping (for example, recording transactions through journal entries or ledger accounts), demonstrating understanding of the dual effect of transactions and underlying accounting principles, and using structured financial data and relevant calculations to demonstrate and interpret how transactions are reflected in financial statements and impact financial performance and position

In working to achieve this work-related purpose, students must be able to:

- analyse financial statement extracts and performance indicators to assess organisational performance and financial position
- calculate and interpret profitability, liquidity, efficiency and solvency ratios (including margin, return, current ratio and gearing) using structured financial data
- compare financial performance across reporting periods using percentage change and trend analysis
- analyse movements in key financial indicators and evaluate possible explanations using contextual information
- evaluate the strengths and limitations of financial statement information when forming reasoned judgements
- communicate financial analysis clearly and coherently for relevant stakeholder groups.

Transferable skills are developed through engagement with this work-related purpose, including:

- numerical reasoning when calculating and interpreting financial ratios
- analytical evaluation of financial performance trends
- critical judgement when assessing reliability and limitations of financial information
- decision making informed by structured financial evidence

PROPOSED SUBJECT CONTENT FOR CONSULTATION

- professional communication tailored to stakeholder needs

WRP3: Be able to evaluate financial decision making in organisational contexts

To achieve this work-related purpose, students must apply knowledge and understanding through structured organisational scenarios involving budgeting data, cost information and basic investment appraisal calculations.

To do this, students must apply the following knowledge and understanding:

- the purpose of budgeting in supporting organisational decision making and performance review
- the principles of cost behaviour, including fixed, variable and semi-variable costs
- contribution and margin analysis in evaluating financial options
- basic investment appraisal techniques, including:
 - payback period
 - simple rate of return
- the role of risk, uncertainty and assumptions in financial decision making
- the interaction between financial and non-financial factors in organisational decisions
- the role of sustainability considerations in financial decision making, including environmental, social and governance (ESG) factors and how these may influence financial performance, risk and long-term value

Numerical expectations

Students are expected to:

- calculate contribution and margin
- interpret break-even information where provided, including both numerical values and simple graphical representations (e.g. break-even charts)
- calculate payback period and simple rate of return using structured data
- analyse simplified budget variance information
- interpret and complete structured or partially prepared budget information

Students are not expected to:

- construct full budgets from raw data, including multi-step budget preparation
- perform complex financial modelling (e.g. discounted cash flow techniques, multi-variable forecasting models or scenario-based financial modelling)
- undertake advanced discounted cash flow modelling (for example, detailed net present value (NPV) or internal rate of return (IRR) calculations), beyond simple interpretation of investment information

In working to achieve this work-related purpose, students must be able to:

PROPOSED SUBJECT CONTENT FOR CONSULTATION

- analyse budgeting data, cost information and investment appraisal calculations within structured organisational scenarios
- compare alternative financial options using contribution, margin and basic appraisal techniques
- evaluate the financial and non-financial implications of different courses of action
- consider the impact of risk, uncertainty and assumptions when forming financial judgements
- justify financial recommendations using structured financial evidence and contextual reasoning
- communicate financial reasoning clearly for relevant stakeholder groups
- consider how sustainability factors may influence financial decisions and organisational outcomes

Transferable skills are developed through engagement with this work-related purpose, including:

- decision making informed by structured financial analysis
- numerical reasoning in calculating and interpreting cost and investment data
- evaluative judgement when considering risk and uncertainty
- problem solving within defined financial constraints
- professional communication of financial recommendations

WRP4: Be able to evaluate the ethical and regulatory context of accounting and finance within organisational settings

To achieve this work-related purpose, students must apply knowledge and understanding through structured organisational scenarios involving ethical considerations and regulatory expectations in the use of financial information.

To do this, students must apply the following knowledge and understanding:

- the purpose of ethical principles in accounting and finance, including:
 - integrity
 - objectivity
 - professional competence and due care
 - confidentiality
 - professional behaviour
- the role of governance mechanisms in supporting trust in financial reporting, including internal controls, oversight and transparency
- the purpose of financial reporting requirements in supporting accountability and stakeholder confidence
- the potential consequences of unethical, misleading or biased financial reporting for organisations and stakeholders
- the role of assumptions, estimates and judgement in creating ethical risk within financial information
- the distinction between ethical reasoning and technical compliance
- the conceptual meaning and purpose of the fundamental ethical principles in accounting and finance, including how conflicts of interest, bias and misrepresentation may arise in organisational contexts

In working to achieve this work-related purpose, students must be able to:

- analyse organisational scenarios involving ethical issues in financial reporting and decision making
- evaluate how regulatory expectations influence organisational behaviour and financial communication
- apply the fundamental ethical principles (integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) when analysing organisational scenarios involving financial reporting and decision making
- assess the potential impact of ethical and regulatory issues on different stakeholder groups
- justify conclusions using structured ethical and financial reasoning rather than technical rule application alone
- communicate ethical considerations clearly within financial contexts

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Transferable skills are developed through engagement with this work-related purpose, including:

- ethical reasoning in financial decision making
- critical evaluation of governance and regulatory contexts
- judgement under conditions of uncertainty and ambiguity
- responsible professional communication
- reflective evaluation of the societal impact of financial decisions

WRP5: Be able to communicate and present financial and accounting information in organisational contexts

To achieve this work-related purpose, students must apply knowledge and understanding through structured communication tasks involving financial statement extracts, budget summaries and performance indicators within defined organisational scenarios.

To do this, students must apply the following knowledge and understanding:

- the purposes of financial communication within and between organisational contexts including sole traders, partnerships, limited companies, public sector bodies and third sector organisations
- the differing information needs of stakeholder groups, including managers, investors or funders, regulators, service users and internal decision makers, as referenced throughout this subject content
- the importance of clarity, accuracy and transparency in presenting financial statement information and performance data
- the role of financial terminology in ensuring precise and professional communication
- how digital systems (for example accounting software and spreadsheet tools) are used within organisations to generate, process and present structured financial information, including the outputs they produce and how these support analysis and decision making
- the importance of data security, confidentiality and cyber security in the storage, processing and communication of financial information
- the role of emerging technologies, including artificial intelligence, in supporting the generation, analysis and communication of financial information within organisations
- the risks associated with miscommunication, selective presentation or misinterpretation of financial information

In working to achieve this work-related purpose, students must be able to:

- present financial statement extracts, budget summaries and performance indicators clearly and coherently using accurate financial terminology (for example: revenue, gross profit, net profit, assets, liabilities, cash flow, contribution, margin, variance and ratios)
- adapt financial explanations and analysis to suit relevant stakeholder groups (as defined in the subject content)
- structure financial information logically to support reasoned discussion and recommendations
- select and use appropriate methods of communication (such as tables, charts or structured written explanations) to support clarity

PROPOSED SUBJECT CONTENT FOR CONSULTATION

- critically evaluate how financial information may be framed, simplified or selectively presented
- communicate financial judgements in a way that demonstrates awareness of limitations and uncertainty

Transferable skills are developed through engagement with this work-related purpose, including:

- professional communication tailored to specialist and non-specialist audiences
- clarity and precision in the use of technical terminology
- critical reflection on how information is presented and interpreted
- responsible presentation of data and conclusions
- digital literacy in the context of this qualification includes the ability to use digital tools to interpret, analyse, present and communicate financial information, including the use of spreadsheet software to organise structured financial data, apply formulae and perform calculations (e.g. totals, variances, ratios), and generate outputs such as tables and charts to support the interpretation of financial performance and informed decision making

3.3 Core Knowledge and Understanding

When developing qualification specifications, awarding organisations must allocate between 120 and 160 GLH to Core Knowledge and Understanding to ensure sufficient depth of coverage of key accounting and finance concepts, theories and principles at level 3.

The Core Knowledge and Understanding both:

- provides the conceptual foundation that underpins achievement of the work-related purposes
- ensures that students develop a coherent understanding of the subject more broadly

Where concepts appear across both Core Knowledge and Understanding and work-related purposes, the Core Knowledge and Understanding section defines what students must understand conceptually, while the work-related purposes specify how that understanding is applied, evidenced and demonstrated in context.

Students must know and understand:

- the purpose and broad structure of financial statements and supporting financial information, including their role in supporting transparency, accountability, governance and organisational oversight
- how financial and accounting information is generated, processed and communicated within organisations, including the conceptual role of digital systems in producing structured financial information
- the role of accounting principles, assumptions, estimates and professional judgement in the preparation and interpretation of financial statement information
- the ethical, governance and risk considerations associated with the production, use and communication of financial and accounting information in organisational contexts
- the relationship between finance, accounting and wider organisational activity, including how financial information reflects organisational objectives, resource constraints and strategic priorities
- the purpose, characteristics and limitations of different types of financial information, including financial statement extracts, budget summaries, performance indicators and cost information
- core financial and accounting terminology and measures used to describe financial performance, position and activity, including revenue, expenses, profit, assets, liabilities, equity, cash flow, contribution, margin and ratios
- the conceptual basis of double entry bookkeeping, including the dual effect of transactions on assets, liabilities, equity, income and expenditure, and how these

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relationships are reflected in financial statements. Students must apply this understanding within work-related purposes by interpreting how transactions are reflected in financial information and using structured financial data to analyse and evaluate organisational performance and position, using calculations to demonstrate and interpret the impact on financial performance and position

- the role and importance of reporting periods, transaction dates and cut-off points in financial information, including how timing affects the interpretation and comparison of financial performance and position
- the role of sustainability, environmental, social and governance (ESG) considerations in accounting and finance, including their influence on organisational performance, reporting and decision making
- risks associated with digital systems, including cyber security threats, data integrity and confidentiality in financial information
- impact of emerging technologies, including artificial intelligence, on accounting and finance practices, including opportunities and risks associated with their use

Annex

Glossary of Terms

Term	Definition
Accounting principles and concepts	Foundational concepts including accruals, prudence, consistency, materiality and going concern.
Applied learning	Classroom deliverable activity requiring interpretation, analysis and evaluation of structured financial information within defined organisational contexts.
Budget summaries	Structured summaries of planned income and expenditure used for review, analysis and completion of structured or partially prepared budget information, not full budget construction.
Cost information	Structured data relating to fixed, variable and semi variable costs used for analysis of contribution and margin.
Financial information	For the purposes of this qualification, includes financial statement extracts, budget summaries, performance indicators and cost information.
Financial statement extracts	Structured extracts from statements of financial performance, financial position and summarised cash flow information provided for analysis and interpretation, not preparation.
Performance indicators	Quantitative measures derived from financial information used to assess organisational performance, including ratios and margin measures.
Professional judgement	The application of accounting principles and informed reasoning when interpreting financial information.
Ratio categories	Profitability, liquidity, efficiency and solvency ratios used for performance analysis.
Structured organisational scenario	A defined classroom-based scenario involving contextualised financial information provided for interpretation, evaluation and judgement.

Workplace behaviours

The following workplace behaviours may be set out by awarding organisations in specifications and may be demonstrated through engagement with work-related purposes:

- attention to detail when analysing and interpreting financial information
- professional integrity in the use and communication of financial data
- responsible handling of confidential financial information
- analytical persistence when working with numerical data
- clear and professional communication of financial reasoning
- awareness of organisational accountability and the impact of financial decisions on relevant stakeholder groups

Links to Occupational Standards

The subject content for this V Level draws upon the following Occupational Standards.

Occupational Standard	Reference	SOC Codes
Accounting Technician	ST0187	4122
Assistant Accountant	ST0002	3533, 4122
Business Administrator	ST0240	4150
Commercial Finance Analyst	ST0362	2421
Finance Business Partner	ST0177	2421



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