

Applying IFRS A Four-Day Programme



Aims and Objectives

The aim of this course is to introduce the reporting requirements under IFRS. The course will look at the presentation of financial statements and will use real-life examples to illustrate demonstrate the correct layout and disclosures. Participants will be guided through the main requirements of the IFRS standards, which should be a useful introduction for those who have not yet familiarised themselves with the standard or a re-cap of the main points of each standard for those who have used IFRS but who feel the need for a refresher.

For each area of the primary financial statements, participants will be guided as to the main differences from local GAAP, as well as provided with some examples and illustrations about how to put the rules into practice. The course will be practical and participants should be ready to attempt to implement the rules covered through case studies and mini-scenario exercises.

Participants will also concentrate on the requirements of IFRS 1 First Time Adoption of IFRS and will learn how the requirements of the standards will apply to them and practical changes that will need to be made to current reporting processes.

By the end of the course participants will be able to:

- Identify the main requirements of the IFRS for presentation and disclosure
- Apply the principles-based standards
- Practically apply the main rules and requirements of IFRS
- Present a set of IFRS compliant financial statements
- Analyse and interpret IFRS financial statements
- Put theory into practice with case studies

Suitable for

The course has been specifically designed for accountants, auditors and users of financial statements in countries which will be adopting IFRS in the near future.

Training Methodology

Courses are practical and involve group work on exercises and case studies. The case studies will use a range of real-life financial reporting examples as well as mini-scenarios closely based on real-life but which include complications or areas for discussion.

During every session, participants will be asked to complete work on a relevant case which looks at some specific applications of the standards.

Day One

Session 1

IFRS and the Underlying Principles of the Standards

- The IASB and its IFRS Project
- Lessons learned from regions where IFRS has been adopted
- The IASB Framework
- Measurement and recognition principles (including discussion of fair value accounting)

Session 2

IFRS as a Basis for Preparing and Presenting Financial Statements

- IAS 8 and the selection of accounting policies of an entity
- IAS 1 and the presentation of primary financial statements
- Notes to the accounts
- IAS 10 - Events after the balance sheet date
- IAS 24 - Related Parties

Session 3

Performance Disclosures

- IAS 33 - Earnings per share
- IFRS 5 - Discontinued operations
- IFRS 5 - Non-current assets held for sale
- IFRS 8 - Segment reporting
- Comparisons to Brazilian GAAP of all standards for presentation

Session 4

IFRS 1 – First Time Adoption of IFRS

- IFRS 1 – Presentational content of the standard
- Case examples of first time financial statements under IFRS
- Practical considerations for accountants

Session 5

Cash Flow Statements

- Presentation requirements
- Consolidation requirements

Day Two

Session 1

Business Combinations

- Identifying the acquirer
- Measuring the cost of the business combination
- Identification of the acquired assets, liabilities and contingent liabilities
- Calculation of the goodwill
- Adjustments to goodwill

Session 2

Investments and Group Accounts

- Consolidated and separate financial statements (including special purpose entities)
- Determining control
- Consolidation procedures
- Investments in associates
- Determining significant influence
- The Equity-method
- Interests in joint ventures
- Jointly controlled assets
- Jointly controlled operations
- Jointly controlled entities
- Comparisons to Brazilian GAAP for all group accounting standards

Session 3

Revenue Recognition

- Sale of goods
- Services
- Interest, royalties and dividends

Session 4

Construction Contracts

- Combining and segmenting construction contracts
- Application of the percentage of completion method

Session 5

Non-Financial Assets – Inventories and Non-Current Assets

- Valuing inventory
- Accounting for spare parts
- Property, plant and equipment
- Measurement of the cost of an asset
- Borrowing costs
- Dismantling costs
- Site preparation and restoration
- Components approach
- Depreciation
- Residual value

Day Three

Session 1

Intangible Assets and Investment Property

- Recognition and measurement of Intangible Assets
- Acquisition as part of a business combination
- Internally generated intangible assets
- Requirements of IAS 40 – Investment Property

Session 2

Impairment of Assets

- Calculating value in use
- Cash generating units
- Impairment of goodwill
- Treatment of corporate assets

Session 3

Leases

- Classification of lease contracts
- Accounting for lease contracts
- Determining whether an arrangement contains a lease

Session 4

Provisions

- Measurement of provisions using the best estimate
- Future operating losses
- Onerous contract
- Restructurings

Session 5

Employee Benefits and Share-Based Payments

- Defined benefit plans
- Defined contribution plans
- Other employee benefits
- Equity-settled share-based payments
- Cash settled share based payment

Day Four

Session 1

Presentation of Financial Instruments and IAS 32/IFRS 7

- Presentation
- Difference between equity and liabilities
- Treasury shares
- Offsetting
- IFRS 7 Disclosure

Session 2

Recognition and Measurement of Financial Instruments and IAS 39

- Recognition and measurement
- Classification of financial instruments
- Measurement of different classes of financial instruments

Session 3

Hedge Accounting Rules

- Types of hedging arrangement as defined by the standard
- Accounting rules determined by the type of hedge

Session 4

Accounting for Changes in Exchange Rates

- The effects of changes in foreign exchange rates
- Financial reporting in hyperinflationary economies

Session 5

Accounting for Income Taxes

- Temporary and permanent differences
- Recognition and measurement of deferred taxes
- Treatment of unused tax losses and used tax credits

Course Evaluation and Summary