

# Understanding the Transition to IFRS A Two-Day Programme



## Course Overview

The transition to IFRS is not without its impact on human resources. Employees will need to be properly trained on the new standards and any new training will of course take time away from normal duties. This can increase workloads and stress for employees as they try, willingly or unwillingly, to adapt to the new situation. It is vital, therefore, that employees view the transition to IFRS as a positive change. As well as providing technical training, companies must communicate with their employees, explaining the need for and advantages to adopting IFRS. To maintain morale, it is essential that the employees are well informed of the impacts of transition for them and the company.

## Objectives

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

- Describe what IFRS is and why it is important
- Outline key differences between their own national GAAP and IFRS
- Describe how to manage the process of transition to IFRS
- Describe optional and mandatory exceptions from IFRSs

## Day One

### Session 1

#### An Introduction to IFRS

- An explanation of what IFRS is and why it was introduced
- An outline of its primary objectives
- The main bodies responsible for IFRS
- An explanation of common jargon and abbreviations
- Progress towards IFRS
- The current state of play (up to date details about mandatory and voluntary adoption of IFRS)
- Update on national (to be made relevant to client) and global harmonisation projects
- The Advantages and Risks of adopting IFRS
  - In general
  - For the Company
- Impact of adopting IFRS
  - On management
  - On investors
  - On auditors
  - On accounting staff
- Explanation of the impact reported performance of those entities that have transferred to IFRS (with examples)

### Session 2

#### Key differences between national GAAP and IFRS

- An outline of significant differences (to be made relevant to the client's industry)

### Session 3

#### Key differences between national GAAP and IFRS continued

- An explanation of the common pitfalls on certain standards (to be made relevant to the client's industry)

### Session 4

#### Overview of managing the IFRS transition process

- Lessons learned and best practices
- Planning the project
- Involving the whole business
- Staff training
- Implementing the changes
- Collecting the data
- Operating parallel reporting systems
- Details of support and publications available internally and externally

## Day Two

### Session 1

#### General Principles of IFRS 1 First-time Adoption of International Financial Reporting Standards

- Recognition & measurement
- Opening IFRS balance sheet
- Retrospective approach and exceptions

### Session 2

#### Strategies for the use of optional exemptions from other IFRSs

- Business combinations
- Fair value or revaluation as deemed cost
- Employee benefits
- Cumulative translation differences
- Compound financial instruments
- Investments in subsidiaries, jointly controlled entities and associates at deemed cost
- Assets and liabilities of subsidiaries, associates and joint ventures
- Designation of previously recognised financial instruments
- Share-based payment transactions
- Insurance contracts
- Decommissioning liabilities included in the cost of property, plant and equipment (IFRIC 1)
- Leases – rights of use (IFRIC 4)
- Fair value measurement of financial assets or financial liabilities at initial recognition
- Service concession arrangements
- Borrowing costs

### Session 3

#### Mandatory exceptions from other IFRSs

- De-recognition of financial assets and financial liabilities
- Hedge accounting
- Use of estimates
- Non-controlling interests

### Session 4

#### Presentation and disclosure requirements

- Illustration and practice reconciliation: transitioning from national GAAP to IFRS - Preparation of an Opening Balance Sheet