

Basic IFRS Course



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Training objectives

It is intended to:

Obtain deep knowledge in the sphere of International Financial Reporting Standards, accounting concepts and practical skill of their application.

Training audience

The training has been developed for and focused on:

- accountants, specialists of financial departments, auditors, and financial analysts, who proceed to practice requiring knowledge of IFRS;
- practicing accountants who wish to systemize their knowledge; and
- all those who seek to study IFRS.

Trainees acquired skills and abilities

Trainees:

- will get deep knowledge of the fundamental base standards to be applied in practice;
- will study to apply the provisions and requirements of Standards to different situations in their practical activity.

Practical aspects

Trainees are offered intensive theoretical and practical course of study IFRSs. In the course of this study the most frequently used Standards are considered.

The studied material is offered in available form with simple examples that will help the material better understanding and memorizing.

Practical situations are considered at the training; solving of problems and performing of tests will contribute to review reinforced tasks.

Training covers the latest amendments to International Financial Reporting Standards (IFRSs).

Contents of Training

Day 1: 09:30 – 17:30

1. Come together

- Introduction of participants to one another, getting acquainted with the instructor, review of training topics and methods of working;
- Discussion of expectations.

2. Conceptual framework of financial statements

- International Financial Reporting Standards (IFRSs) as the basis for financial reporting harmonization;

- General idea of financial statements conceptual framework, principles of financial statements preparation;
- Underlying assumptions to be used at financial statements preparation;
- Required quality characteristics of information contained in financial statements;
- Classification of financial statements' components;
- Types of assets and liabilities measurement;
- *Practical situations.*

3. Present discounted value

- Application of time value of money theory in cost estimates;
- Present and future value of non-recurring cash flow;
- Present and future value of annuity payment;
- *Solving of problems.*

4. Presentation of financial statements

Presentation of Financial Statements (IAS 1)

- Standard basic requirements;
- Composition of financial statements; forms of reporting;
- Statement of Financial Condition (accounting balance-sheet) and its meaning, separate recognition of short-term and long-term assets and liabilities;
- Statement of Total Income – variants of its presentation;
- Statement of Total Income structure;
- Statement of Shareholders' Equity;
- Disclosure of information in Notes to financial statements.

Interim Financial Reporting (IAS 34)

- *Practical situations and solving of problems.*

Day 2: 09:30 – 17:30

5. Assets accounting and recognition

Property, Plant and Equipment (IAS 16)

- Definition, recognition and measurement;
- Buildup of PP&E historical value;
- PP&E amortization;
- PP&E revaluation;
- PP&E disposal;
- Recognition of different operations with PP&E in accounts;
- Disclosure of PP&E information.

Impairment of Assets (IAS 36)

Intangible Assets (IAS 38)

- Definition and examples of intangible assets;
- Criteria of intangible assets recognition;
- Dependence of intangible assets measurement from the method of their acquisition;
- Identification and presentation of different classes of intangible assets;

- Costs of research and development (R&D);
- Amortization and impairment of intangible assets;
- Recognition of different operations with intangible assets in accounts;
- Disclosure of intangible assets information.

Investment Property (IAS 40)

- Basic definitions and examples;
- Recognition of different operations with investment property in accounts.

Inventories (IAS 2)

- Basic definitions and examples;
- Recognition of different operations with inventories in accounts;
- *Practical situations and solving of problems.*

Day 3: 09:30 – 17:30

6. Assets accounting and recognition (Continues)

Leases (IAS 17)

- Financing and operating leases;
- Recognition of different operations with leases in accounts;
- Recognition of leases by a lessee and by a lessor;
- *Practical situations and solving of problems.*

7. Financial Instruments: Accounting, Recognition and Disclosures (IAS 32, IAS 39, IFRS 7)

- Financial instruments: basic concepts and definitions;
- Classifications of financial assets and financial liabilities;
- Derivative financial instruments (derivatives);
- Recognition of derivatives in accounts;
- Measurement; fair depreciable value;
- Methods of fair value measurement;
- Impairment of financial assets;
- Equity instruments: measurement and recognition;
- Transactions with equity instruments: capital or liability;
- Treasury stock;
- Recognition and disclosure of financial instruments;
- *Practical situations and solving of problems.*

8. Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8)

- Choice and use of accounting policies; requirements to accounting policies;
- Changes in accounting policies; disclosure of accounting policies information;
- Changes in accounting estimates;
- Errors in financial statements and correction of errors;
- *Practical situations and solving of problems.*

Day 4: 09:30 – 17:30

9. Incomes and expenses

- Rules of incomes and expenses accounting and recognition;

- Classification of incomes;
- Classification of expenses;
- Capital, operating and financial expenses in accounting.

Borrowing Costs (IAS 23)

- Borrowing costs structure;
- Basic approach to borrowing costs recognition;
- Cost capitalization by borrowings; basic requirements.

Revenue (IAS 18)

- Recognition and measurement of revenue;
- Different types of revenue;
- Revenue from sales and revenue from services;
- Accounting of different operations related to revenue recognition.

Accounting and reporting under construction contracts (IAS 11)

- Accounting of long-term contracts by percentage of their completion;
- Accounting of revenues and expenses under the contract against its profitability;
- Losses under the contract; immediate accounting;
- Accounting in the Statement of Total Income.

Accounting and reporting of different types of incomes and expenses

- *Practical situations and solving of problems.*

10. Additional requirements for disclosures in reporting

- Segment Reporting/Operating segments (IFRS 8);
- Earnings per Share (IAS 33);
- Non-Current Assets Held for Sale and Discontinued Operations (IFRS 5);
- The Effects of Changing in Foreign Exchange Rates (IAS 21);
- Events After the Balance Sheet Date (IAS 10);
- *Practical situations and solving of problems.*

Day 5: 09:30 – 17:30

11. Recognition of entity's capital and liabilities

- Concept of liabilities, their classification and measurement.

Accounting of tax liabilities; Income taxes (IAS 12)

- Basic concepts and definitions;
- Reasons for occurrence of temporary differences; different situations for temporary differences and deferred taxes occurrence;
- Structure of income taxes provision; current and deferred taxes;
- Recognition and accounting of deferred taxes in the Statement of Total Income;
- Accounting of taxes in the Statement of Financial Condition.

Provisions and Contingent Liabilities (IAS 37)

- Legal and actual liabilities;
- Criteria for recognition of provisions;
- Measurement and changes in the amount of provision measurement;

- Special situations: future operating losses, onerous contracts and entities restructuring.

Entity's equity capital: invested and earned capital

- Basic concepts and definitions;
- Accounting and recognition of equity capital in accounts;
- *Practical situations and solving of problems.*

12. Cash flow statements (IAS 7)

- Assignment of Cash Flow Statement, its composition and structure;
- Interrelationship between the Cash Flow Statement, Statement of Financial Condition and Statement of Total Income;
- Classification of cash flows by types of activity;
- Effect of non-cash items on monetary items status;
- Preparation of a statement according to direct and indirect methods;
- *Practical situations and solving of problems.*

Day 6: 09:30 – 17:30

13. Business combination and financial reporting of groups (IFRS 3, IAS 27, IAS 28, IAS 31)

- Business Combination (IFRS 3);
- Purchase method and identifying of purchaser;
- Control; control standards;
- Consolidated and Separate Financial Statements (IAS 27);
- Calculation of goodwill;
- Calculation of non-controlling (minority) interest;
- Corrections at consolidation;
- Preparation of consolidated Statement of Financial Condition;
- Preparation of consolidated Statement of Total Income;
- Financial Reporting of Interests in Joint Ventures and Investments in Associates (IAS 28, 31);
- Method of investments accounting by participation interest;
- *Practical situations and solving of problems.*

14. Conclusion

- Results of Training.