

IFRS (IAS) 21



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Contents of Training – Day 1: 09:30 – 17:00

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

Expected time: 15 minutes

2. IFRS (IAS) 21: Definitions

- Scope
- Definitions

Expected time: 15 minutes

3. IFRS (IAS) 21: Functional Currency

- Primary factors for functional currency determination
- Additional factors for functional currency determination
- Examples of an entity's functional currency determination
- Functional currency of the Group of companies

Expected time: 90 minutes

4. IFRS (IAS) 21: Accounting for Foreign Currency Transactions

- Initial recognition of the foreign currency transactions
- Revaluation at the end of reporting period
- Recognition and accounting for the effects of exchange differences
- Changes in functional currency

Expected time: 60 minutes

5. IFRS (IAS) 21: Presentation Currency of Financial Statements

- Rules of financial statements translation from the functional currency to the presentation currency¹
- Examples of financial statements translation from the functional currency to the presentation currency

Expected time: 60 minutes

6. IFRS (IAS) 21: Consolidation of Foreign Operations Financial Statements

- A foreign operation accounting in consolidated financial statements
- Disposal of a foreign operation accounting

Expected time: 120 minutes

¹ All rules and examples of currencies translation are considered for the countries with non-hyperinflationary economy. Currencies translation for the countries with hyperinflationary economy is not the issue of training.

Contents of Training – Day 2: 09:30 – 12:45

7. Day 1 topics review

- Functional currency and presentation currency
- Consolidation rules and procedures for foreign operations

Expected time: 15 minutes

8. IFRS (IAS) 21: Consolidation of Foreign Operations Financial Statements (Continued)

- Example of consolidated financial statements preparation (Balance Sheet, Statement of Income, Statement of Shareholders' Equity and Statement of Cash Flow²) with regard to the Group of two companies where one of the companies prepares financial statement in different currency

Expected time: 90 minutes

9. IFRS (IAS) 21: Disclosure requirements

- Exchange differences
- Financial statements presentation currency and functional currency

Expected time: 30 minutes

10. Results of Training

- Discussion of expectations relevance to the derived knowledge and practical advices
- Discussion of other topics being of interest for future seminars

Expected time: 15 minutes

² IFRS (IAS) 7 is not the issue of this training. It is supposed that the participants are aware of the Standard theoretical aspects. Practical aspects of consolidated Statement of Cash Flow preparation will be covered in the course of problems solving.