SYLLABUS
DIPLOMA IN IFRS
Your passport to financial reporting excellence

www.charteredaccountants.ie/diplomas
This Diploma is designed to provide qualified Chartered Accountants with the opportunity to enhance their financial reporting skills by providing them with a course which will build upon their prior studies in financial accounting but also convert them into a detailed understanding and knowledge of how international financial reporting standards can be applied in practice. In addition, it should provide participants with a firm grasp of the principal conceptual problems surrounding the development of International Financial Reporting Standards (IFRSs).

The aim of the course is to develop participants’ appreciation of financial accounting concepts in the construction and application of the theory and practice of international financial reporting standards.

On successful completion of this course participants should be able to:

(a) apply advanced international financial reporting techniques to the production, and presentation of external financial reports;
(b) identify and apply the disclosure requirements relating to the IFRSs;
(c) prepare single entity and group financial statements in accordance with IFRS;
(d) be aware of the important areas of international financial reporting currently engaging the attention of both the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC);
1. Introduction to IFRSs and the IASB
   • The structure of the IASB, its objectives and process of setting IFRSs
   • The role of the International Financial Reporting Interpretations Committee
   • First-time Adoption of IFRSs (IFRS 1)
   • The current IASB Programme

2. The Key Principles of Financial Reporting
   • The Conceptual Framework for Financial Reporting and latest exposure drafts
   • IAS 1 Presentation of Financial Statements

3. Assets
   • IAS 16 Property, Plant and Equipment
   • IAS 40 Investment Property
   • IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
   • IAS 23 Borrowing Costs
   • IAS 36 Impairment of Assets
   • IAS 38 Intangible Assets
   • IFRS 16 Leases
   • IAS 2 Inventories

4. Liabilities
   • IAS 37 Provisions, Contingent Liabilities and Contingent Assets
   • IAS 12 Income Taxes

5. Foreign Currency Standards
   • IAS 21 The Effects of Changes in Foreign Exchange Rates
   • IAS 29 Financial Reporting in Hyperinflationary Economies

6. Group Accounting Standards
   • IAS 27 Separate Financial Statements and IFRS 10 Consolidated Financial statements
   • IFRS 3 Business Combinations
   • IAS 28 Investments in Associates and Joint Ventures
   • IFRS 11 Joint Arrangements
   • IFRS12 Disclosure of interests in Other Entities

7. Performance Measurement standards
   • IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
   • IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations IFRS 15 Revenue from Contracts with Customers
   • IFRS 2 Share-based Payment

8. Cash Flow Statements
   • IAS 7 Statement of Cash Flows

9. Listed Companies standards
   • IAS 33 Earnings Per Share
   • IAS 34 Interim Financial Reporting
   • IFRS 8 Operating Segments

10. Financial Instrument standards
    • IAS 32 Financial Instruments: Presentation
    • IFRS 7 Financial Instruments: Disclosure
    • IFRS 9 Financial instruments

11. Sundry Standards
    • IAS 10 Events After the Reporting Period
    • IAS 24 Related Party Disclosures
    • IAS 26 Accounting and Reporting by Retirement Benefit Plans
    • IAS 19 Employee Benefits
    • IAS 41 Agriculture
    • IFRS 4 Insurance Contracts
    • IFRS 6 Exploration for and Evaluation of Mineral Resources

12. FRS 102: The FRS applicable in the UK and Republic of Ireland
THE COURSE AND DETAILED LEARNING OUTCOMES
Students will be expected to be able to undertake the following on completion of each of the modules

MODULE 1

Section 1.1
Introduction to IFRSs and the IASB
• Explain the role of the IASB and convergence projects with other GAAP, particularly US standards
• Understand how the IASB Structure works, what its objectives are and understand the process developed to publish both new standards and to deal with non-urgent, minor amendments to existing IFRSs
• Have an awareness of the role of IFRIC and how it functions
• Be able to understand the transitional arrangements on the First-time Adoption of IFRSs (IFRS 1) and being able to apply them
• Have an awareness of the current projects on which the IASB is involved in for developing new or amended standards in the coming years

Section 1.2
Key Principles guiding the process of selecting IFRS accounting policies and applying the guidance in IFRSs
• Understand the content of the Conceptual Framework for Financial Reporting and how it has been applied in developing new IFRSs
• Have an awareness of the current exposure drafts updating the framework and what impact this will have on developing IFRSs in the future
• IAS 1: Presentation of Financial Statements as per Revisions to IAS 1

Section 1.3
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Define accounting policies, accounting estimates and errors
• Understand the distinction between a change in accounting policy and a change in accounting estimate and their appropriate accounting treatment, particularly the application of prior period adjustments
Calculate and disclose the transactions required for prior period errors

Section 1.4
IFRS 5 Non-Current Assets Held For Sale and Discontinued Operations
• Define discontinued operations
• Prepare a Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position to incorporate the inclusion of discontinued operations
• Discuss the criteria to be passed before assets can be classified as non-current and show how these must be presented in the Statement of Financial Position

Section 1.5
IAS 7 Cash Flow Statements
• Prepare the Statement of Cash Flows under IAS 7
• Understand the option of the direct and indirect methods of presenting operating cash flows
• Be aware of how to account for taxation, interest receipts and payments and cash equivalents in preparing cash flow statements
Section 2.1
Non-current assets: Property, plant and equipment (IAS 16)
- Understand what can be included in the initial cost of an asset, including both self-constructed and purchased assets
- Identify expenditure, post initial recording, between revenue and capital expenditure
- Apply the optional rules on revaluation permitted under IAS 16
- Calculate depreciation appropriately including how to account for changes in asset lives and methodologies.
- Account for the gains and losses on disposal of property, plant etc.

Section 2.2
Non-current assets: Investment Property (IAS 40)
- Understanding clearly how to define an investment property
- Apply alternative methods for subsequent measurement and treatment of gains and losses
- Apply valuation requirements and disclosures
- Account for subsequent expenditures

Section 2.3
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- Understand the different methods of accounting for capital based grants
- Aware of the disclosures required to be made for government grants and government assistance
- Aware of how to account for revenue based grants

Section 2.4
IAS 23 Borrowing Costs
- Understand the content of IAS 23 on the capitalisation of borrowing costs on assets
- Be aware of the disclosure requirements

Section 2.5
IAS 36 Impairment of Assets
- Review and identify assets that may be impaired
- Understand the indicators of impairment and how to determine recoverable amount as well as how to deal with situations where compulsory testing must take place for possible impairment of goodwill and infinite life intangible assets.
- Explain how to derive a cash-generating unit
- Calculate the amount of an impairment loss and allocate impairment losses across assets or groups of assets
- Aware of the disclosure requirements

Section 2.6
Non-current assets: IAS 38 Intangible Assets
- Explain and understand the relationship between the different accounting treatments of internally generated intangibles and goodwill.
- Compare the treatment of acquired intangible assets
- Apply the initial recognition and subsequent measurement rules to accounting for intangible assets
- Research and development phases, when to capitalise and when to cease and how to estimate useful lives

Section 2.7
Current assets: IAS 2: Inventories
- Measure inventories including subsequent write-downs to NRV and reversals thereof
Section 3.1
IFRS 16 Leases
• Explain the essential characteristics of lease agreements and contracts containing a lease
• Lessees – account for leasing arrangements, including short-term leases and leases of low value assets
• Lessors – design the appropriate accounting policies for both parties in accounting for both operating and finance leases
• Outline the disclosures to apply in relation to leases

Section 3.2
Liabilities: IAS 37 Provisions, Contingent Liabilities and Contingent Assets
• Explain the background to the standard and, in particular, the problem of ‘big bath accounting’
• Define provisions, both legal and constructive, and contingent liabilities and contingent assets
• Explain the accounting treatment for provisions and how to calculate them
• Apply the principles in IAS 37 to specific issues (e.g. restructuring, onerous contracts and foreseeable losses)

Section 3.3
Liabilities: IAS 12 Income Taxes
• Understand how to account for current tax liabilities and assets
• Explain the difference between permanent and temporary differences and how these affect the calculation of deferred tax
• Apply the measurement rules of IAS 12 in creating deferred tax assets and liabilities and explain the disclosure requirements.

Section 3.4
IAS 21 The Effects of Changes in Foreign Exchange Rates
• Understand the definitions of functional and presentation currency
• Apply the rules in IAS 21 in accounting for single entity transactions
• Understand how to account for exchange differences
• Explain how to translate from functional to presentation currency

Section 3.5
IAS 29 Financial Reporting in Hyperinflationary Economies
• Describe the characteristics that may indicate that an economy is hyperinflationary
• Explain the procedures required to adjust the historical cost financial statements for inflation prior to the process of translation
Module 4
Group Reporting

Section 4.1
IAS 27 Separate Financial Statements IFRS 10
Consolidated Financial Statements
- Explain the definition of a parent and how consolidated financial statements should be prepared
- Outline the circumstances when individual subsidiaries may be excluded from consolidation
- Prepare a Consolidated Statement of Financial Position for a simple group covering adjustments such as non-controlling interests, pre-acquisition profits, elimination of intragroup trading and profits and calculation of goodwill.
- Outline the problems if there is no uniformity of accounting policies in the group or the entities have non coterminous accounting year ends
- Prepare a Consolidated Statement of Profit or Loss and Other Comprehensive Income for a simple group including the adjustments required for non-controlling interests, acquisitions during the year and intragroup trading
- Apply the foreign exchange translation process of foreign subsidiaries with a different functional currency to the parent
- Be able to prepare consolidated cash flow statements
- Understand how to apply IAS 36 Impairment of Assets to goodwill impairments

Section 4.2
IFRS 3 Business Combinations
- Apply acquisition accounting including the identification of an acquirer, the determination of a date of acquisition, the recognition and measurement of identifiable net assets acquired and the options for calculating non-controlling interests
- Understand what may be included as part of a business combination
- Be aware of subsequent measurement and accounting requirements post acquisition
- Identify the disclosures required on business combinations

Section 4.3
IAS 28: Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements
- Understand the difference in the definitions of a joint venture and an associate - significant influence and joint control
- Apply the equity method of accounting for associates and joint ventures
- Prepare Consolidated financial statements to include a single subsidiary and an associate/joint venture

Module 4
Group Reporting
Section 5.1
IFRS 15 Revenue from Contracts with Customers
- Explain the core principles in revenue reporting, including the five step approach to revenue recognition
- Explain how to account for contracts with multiple sale elements and how to allocate fair values across different elements of a contract
- Outline how to apply the general principles to specific applications

Section 5.2
IFRS 8 Operating Segments
- Explain the rationale behind segment reporting
- Define an operating segment and outline the information that must be reported under IFRS 8

Section 5.3
IFRS 2 Share-based Payment
- Explain why it is necessary to charge an expense for share based payment schemes
- Explain the differences between the three main types of options – equity settled, cash settled and hybrid schemes
- Calculate the figures that need to be reported in the financial statements

Section 5.4
IAS 19 Employee Benefits
- Be able to outline the requirements of IAS 19 in relation to short-term and long-term employee benefits including holiday pay
- Be able to outline how to account for termination benefits, both compulsory and voluntary.
- Understand the difference between defined contribution and defined benefit pension plans and their impact on their accounting treatment
- Calculate defined benefit surpluses/deficits and account for these in the Statement of Financial Position and Statement of Profit or loss and Other Comprehensive Income
- Outline the disclosure required by IAS 19

Section 5.5
IAS 33 Earnings Per Share
- Understand why it is necessary to calculate earnings per share
- Define both basic and diluted earnings per share (EPS)
- Be able to calculate both EPSs with the inclusion of rights and bonus issues (basic) and share options and convertible loans (diluted)
- Explain the importance of diluted EPS
Module 6
Financial Instruments, Interim Reporting and Disclosure Standards

Section 6.1
IAS 32, IFRS 7 and IFRS 9 Financial Instruments
- Define a financial instrument
- Be able to distinguish between debt and equity instruments and, in hybrid instruments, to account for both elements
- Be able to understand the recognition and measurement principles in IFRS 9
- Explain how to account for hedging contracts and how to derecognise financial assets and liabilities
- Understand the nature of both qualitative and quantitative disclosures required by IFRS 7

Section 6.2
IAS 34 Interim Reporting
- Explain the objective of preparing interim reports
- Outline the main contents to be included in the report
- Be able to apply the recognition and measurement principles in IAS 34 to specific applications

Section 6.3
IAS 10 Events After the Reporting Period
- Be able to distinguish between adjusting and non-adjusting events
- Be able to illustrate the disclosure required for non-adjusting events

Section 6.4
IAS 24 Related Party Disclosures
- Understand the need for the disclosure of related party transactions
- Define related parties listed under the standard
- Be able to outline the disclosure required for related parties and need to disclose the name of the ultimate parent company