



International Financial Reporting Standards



4 - 22 August 2024



Manama (Bahrain)

# International Financial Reporting Standards

course code: F2003 From: 4 - 22 August 2024 Venue: Manama (Bahrain) - Crowne Plaza course Fees: 3750 Euro

## Introduction

In a global and increasingly competitive environment, the need for effective and enforced Corporate Governance and International Financial Reporting Standards (IFRS) is all too evident.

This programme establishes the Case for Corporate Governance and International Financial Reporting Standards by examining such inappropriate practices such as creative accounting, off balance sheeting financing and examples such as Enron and World Com among others.

The programme begins with an exploration of the Framework for the Preparation and Presentation of Financial Statements in accordance with IFRS is then examined via case studies, syndicate/group work and exercises aimed at increasing knowledge, understanding and application of IFRS.

This is followed by an evaluation and interpretation of financial reports prepared in accordance with IFRS.

This programme, the preparation and analysis of financial statements, takes a detailed review of the content and meaning of the annual report and accounts of medium and large sized companies. The programme uses International Financial Reporting Standards as the basis of the preparation and analysis of the financial reports discussed.

## Objectives

### By the end of this programme you will be able to:

- Become aware of the case for Corporate Governance and International Financial Reporting Standards
- Identify the creative accounting methods adopted by companies when preparing their financial statements
- Appreciate the Lessons Learnt from accounting scandals such as the Enron and World Com cases
- Gain an understanding of the Structure of IFRS
- Become aware of the adoption of IFRS, Current Issues/IFRS Convergence Projects and the Problems of Convergence
- Be able to Present Financial Statements in accordance with IFRS
  - balance sheet: statement of financial position
  - income statement: statement of comprehensive income
  - cash flow statement: statement of cash flows
  - statement of changes In equity
  - statement of recognised income or expense ("SORIE")
  - notes, including a Summary of the Significant Accounting Policies
- Gain an understanding of the major IFRS
- Be able to evaluate and analyse financial statements and the impact of IFRS

## Training Methodology

This programme is highly interactive: from the very first session of the in case exercises and problem solving. You will be encouraged to make the link between the training room and your office and organisation. Overall, the programme will expose you to a range of learning methodologies that include

- Mini lectures that introduce the main concepts
- Case exercises to test understanding
- Case histories to develop understanding and application
- Class discussions during which you will be given the opportunity to share your opinions and experiences with your fellow delegates

In addition to what might be called traditional materials, you will also be provided with a variety of real life materials and experiences: the training materials contain information drawn from a wide variety of sources from around the world.

You will be given the opportunity to bring along your own materials for inclusion in the discussions to be held throughout the programme.

### **Personal Impact**

You will learn a wide variety of techniques for analysing the content of the financial reports of an organisation: you will become immediately proficient at such analyses by attending this programme. In addition to class based analytical techniques, you will be introduced to various aspects of spreadsheet based analysis together with such techniques as Z Score analysis.

## **SEMINAR OUTLINE**

### **Corporate Governance and International Financial Reporting Standards (IFRS)**

- Establishing the Case for Corporate Governance and International Financial Reporting Standards
- Creative Accounting and Off Balance Sheet Finance
- Enron and other Accounting Scandals and the Lessons Learned
- Corporate Governance and Corporate Social Responsibility
- The Structure of IFRS:
  - International Financial Reporting Standards
  - International Accounting Standards
  - Interpretations
  - Standing Interpretations Committee
- Adoption of IFRS
- Current Issues/IFRS Convergence Projects
- The Problems of Convergence
- The Framework for the Preparation and Presentation of Financial Statements
  - Purpose and Status
  - Scope
  - Objective
  - Underlying Assumptions
  - Qualitative Characteristics of Financial Statements
  - Elements of Financial Statements

- Recognition of Elements of Financial Statements
- Measurement of the Elements of Financial Statements

## Introduction to Financial Reports

The financial report based on International Financial Reporting Standards including IAS 1, IFRS 1, IAS 8, IAS 10, IAS 18 and IFRS 8:

- Balance sheet: statement of financial position
- Income statement: statement of comprehensive income
- Cash flow statement: statement of cash flows
- Statement of changes In equity
- Statement of recognised income or expense ("SORIE")
- Notes, including a Summary of the Significant Accounting Policies

A brief review of financial reports based on other Standards, such as those from the USA and the UK

Case exercises and case studies

## Financial Reports in Detail 1

Today and tomorrow will comprise a detailed review of the key factors underlying the financial reports:

- IAS 1 Presentation of Financial Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Balance Sheet Date
- IAS 18 Revenue
- IAS 23 Borrowing Costs
- IAS 16 Property, Plant and Equipment
- IAS 17 Leases
- IAS 7 Cash Flow Statements
- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 Intangible Assets

A brief review of the following standards

- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 7 Financial Instruments: Disclosures

During this session, delegates will be encouraged to raise issues relating to any IFRS based standard even if it is not included in the list set down for this session Delegates are also encouraged to bring along or suggest their own or other organisations for review and analysis in this session

Case exercises and case studies

## Financial Reports in Detail 2

Today will comprise a continuation of the detailed review of the major aspects of the preparation of financial reports of an organisation under IFRS begun yesterday.

Additional materials include:

- The structure and content of the annual report and accounts of an organisation Notes of explanation
- A review of annual reports and accounts from around the world

During this session, delegates will be encouraged to raise issues relating to any IFRS based standard even if it is not included in the list set down for this session. Delegates are also encouraged to bring along or suggest their own or other organisations for review and analysis in this session

Case exercises and case studies

## The Analysis of Accounting Information

The fundamentals of ratio analysis:

- Who?
- Why?
- What?
- When?

Common size statements

Rates of change statements and ratios

The analysis of the financial reports of actual organisations from around the world. Tips for analysing financial reports using an Excel spreadsheet: brief review of:

- formulas
- financial functions
- Data Analysis ToolPak
- Graphing/charting data

More comprehensive review of financial reporting information: drilling down by using accounting policies and notes of explanation. More detailed analysis of:

- working capital and cash flow management
- debtors (accounts receivable)
- creditors (accounts payable)
- capital structure

Using such techniques as

- Z Score and similar techniques
- Statistical and regression analysis

Case exercises and case studies