

The EY Diploma in International Financial Reporting Standards (IFRS)

M1: 3 Days

M2: 3 Days

M3: 3 Days

M4: 3 Days



About the course

International Financial Reporting Standards (IFRS)

- The EY Diploma in IFRS is a program that covers all standards and interpretations issued by the IASB which are of general applicability
- Comprehensive course materials provided
- Based on practical exercises and illustrations
- Progress tests throughout the program with solutions provided
- Question and answer sessions
- Full solutions provided to all case studies
- Exam at the end of the program for the EY IFRS Diploma

Objectives

- To apply in a practical context, advanced accounting principles and techniques
- To analyze, interpret and report on financial statements and related information to different user groups
- To ensure that preparers and users of financial statements are up-to-date with all requirements as they apply for the financial year 2023
- On completion of the program, candidates should be in a position to prepare, analyze and interpret financial statements under international standards

Who for

Accountants, chief accountants and finance managers, who would like to understand, interpret and apply IFRS. The course presumes knowledge of basic accounting procedures and double entry book keeping. No prior knowledge of accounting standards is required.

Course program

- This is a modularized course program, which will comprise a mixture of lectures, questions and answer sessions, practical exercises and illustrations, home study, home tests, and finally an exam for your diploma. Participants will receive comprehensive course notes, which include summaries of the key elements of IFRS together with exercises and illustrations and their solutions
- There are four modules and each module will be divided into three parts. There will be a total of 12 days and there is flexibility how this can be scheduled.
- During the time between courses the participants are expected to study at home in their own time and solve tests. Solved tests will be sent to us for marking and the full solutions will be sent to the candidates to check their work
- The program will finish with an exam which, after passing participants will receive an EY diploma
- If participants do not wish to participate in the full program, they are welcome to select the modules they wish to attend but, without completing the whole program and the final exam, candidates will only receive a certificate of participation

ACCA Diploma in International Financial Reporting (DipIFRS)

- Having completed the program participants will be in a position to sit for the above exam

Module 1

The program

There are four modules and each module contains three parts (A, B and C). Each part is made up of a one-day course and home study with home tests.

Module 1

Part A

Introduction: IFRS framework

- Historical background of financial reporting internationally
- The IFRS conceptual framework with emphasis on the definitions of assets, liabilities, revenues, costs and equity
- The standard setting process
- The structure of the International Accounting Standards Board including current developments and the International Financial Reporting Interpretations Committee and the use of Agenda Decisions in standard setting
- The use of IFRS in the European union and in the US
- Convergence with US GAAP
- Interim financial statements

Presentation of financial statements under IFRS

- The formats of financial statements
- Discussion on the requirements of IFRS
- The operating cycle and current/non-current classification especially as it relates to debt
- Fundamental accounting concepts
- The presentation of the statement of profit or loss and other comprehensive income

Inventories

- Which costs to include in inventory
- Basis of valuation and net realizable value
- Methods of apportioning costs to units such as FIFO and weighted average

Property, plant and equipment

- Cost versus revaluation
- Accounting for revaluations and disposals of non-current assets
- Methods of depreciation
- Changes in the basis of depreciation and revision of useful life
- Exchange of assets
- The concept of impairment
- Disclosure and presentation of non-current assets
- Component accounting



Module 1 (contd)

Part B

Property, plant and equipment

- This topic will continue from the previous day

Borrowing costs

- Capitalization of interest and other borrowing costs
- Which assets qualify and for how long can borrowing costs be capitalized

Government grants and disclosure of government assistance

- The two methods of accounting for government grants allowed under IAS 20 and a discussion of the legality of both

Investment properties

- Definition and treatment under IAS 40
- Valuation methods using the cost model and fair value model
- Issues relating to fair valuation

Exploration for and evaluation of mineral resources (IFRS 6)

- Recognition and measurement of exploration and evaluation assets
- Impairment of exploration and evaluation assets
- Presentation and disclosure

Events after the reporting period

- Adjusting and non-adjusting events
- Discussion on the appropriate date for approval of financial statements

Accounting policies, changes in accounting estimates and errors

- Changes in accounting policies and accounting estimates
- How to make adjustments relating to previous years through equity/retained profits
- Correction of errors



Part C

Leases under IFRS 16

- The issue with leasing and substance over form
- The definition of a lease and the exemptions available for lessees
- How to account for a lease by a lessee including leasehold improvements
- Issues with which lease payments to include and estimating the lease term
- Step by step guide as to how to identify whether a lease is finance or operating and the accounting entries required for lessors
- Allocating interest in leases and the appropriate discount rate to use
- Accounting for sale and leaseback transactions and subleases
- The disclosure requirements for lessors and lessees

Intangible assets

- Definitions
- Research and development
- Measurement after recognition — cost model and revaluation model
- Useful life of intangible assets, impairment losses of intangible assets, treatment of goodwill and negative goodwill
- The treatment of intangible assets on business combinations in accordance with IAS 38

Provisions, contingent liabilities and contingent assets

- Definition of provision and where they should be shown in the balance sheet
- When to account for and when to disclose contingent assets and liabilities
- Obligating events: legal and constructive obligation
- Provisions for future operating losses and onerous contracts
- Restructuring provisions

Module 2

Module 2

Part A

Introduction to group accounting (equity accounting and acquisition method)

- Accounting for investments in individual company accounts and the impact of this on preparing consolidated financial statements
- When to use the various methods of consolidation
- Definitions of subsidiary, associate, control and significant influence and others related to group accounting

Consolidating the balance sheet/statement of financial position

- Step by step guide through examples to the preparation of the consolidated balance sheet/statement of financial position under acquisition accounting
- Goodwill and negative goodwill/gain on bargain purchase
- Revaluation of the assets and liabilities of the subsidiary to fair value
- The choice of treatments of non-controlling interests under IFRS 3
- Consolidation adjustments such as provision for unrealized profit, eliminations of intra-group balances and transfer of non-current assets and the impact on depreciation in group accounts

Consolidating the income statement and/or statement of comprehensive income

- Step-by-step guide through examples to the preparation of a consolidated income statement under acquisition accounting
- Elimination of intra-group transactions and dividends
- Impact of transactions on non-controlling interest

Part B

Impairment of assets

- Measurement of recoverable amount and impairment loss
- Value in use under IAS 36 and how to calculate it
- Reversal of impairment losses
- Identifying cash generating units (CGUs) and allocating impairment losses to specific assets in a CGU

First time adoption of international standards

- IFRS 1: first time adoption of IFRS and the issues involved in implementing the changes for the first time and the impact on the prior year amounts in the financial statements (comparatives)

Statement of cash flows

- The necessity for a statement of cash flows and how they are prepared from the information contained in the income statement, balance sheet and notes to the financial statements
- The indirect and direct method of presenting operating cash flows



Part C

Revenue from contracts with customers under IFRS 15

- The five step model of recognizing revenue
- Accounting for contract modifications
- The concepts of performance obligations, variable consideration
- The unbundling of contracts
- When revenue is recorded at a point in time and over time
- Discussion of the need for discounting when revenue is to be received in the future and the entries required when discounting — significant financing components
- Real estate sales and construction contracts under IFRS 15
- Sale and repurchase agreements
- Recognition of contract revenues and costs and recognition of expected losses on contracts
- Accounting for contract costs both to obtain and fulfill contracts, warranties and principal versus agent issues related to revenue recognition
- Disclosure and presentation under IFRS 15

Related party transactions

- Definition of related parties and why it is necessary to disclose transactions and balances and sometimes just the fact that there is such a relationship

Current and Deferred taxation

- Accounting for current taxation and deferred taxation using the balance sheet liability method
- Tax base of assets and liabilities
- Recognition of deferred tax assets
- IFRIC 23 on Uncertainty in Income Taxes and why this Interpretation was issued



Module 3

Module 3

Part A

Discontinued operations and assets held for sale

- What is a discontinued operation and when to start separately disclosing the results in accordance with IFRS 5
- The classification of groups of assets as held for sale and subsequent measurement of such assets
- The effect on the comparatives

Earnings per share

- The calculation of basic and diluted earnings per share
- Impact of issue of shares at full market price, rights issue and bonus issue on the calculation of EPS
- The treatment of options, warrants, convertible loans and convertible debentures
- The effect on diluted earnings per share of the order in which items are taken and whether they are dilutive or anti-dilutive

Accounting for employee benefits

- Short-term and long-term employee benefits
- The operation of pension schemes and end-of-service type schemes
- Defined benefit and defined contribution pension schemes and how to account for each type of scheme
- Disclosure requirements

Part B

Associates and joint arrangements and comparison of the various consolidation methods

- Accounting for joint arrangements under IFRS 11
- Joint operations and joint ventures
- Investments in associates and the definition of significant influence
- The journal entries required for equity accounting

Advanced group accounting

- Exemptions from preparing group accounts
- Fair value in the context of acquisition accounting
- Provisions of IAS 27, IFRS 10 and IFRS 3
- How IFRS 10 impacts on the decision whether to consolidate
- IFRS 12 and the additional disclosure requirements for subsidiaries, associates, joint arrangements and structured entities
- The concept of investment entities and their exemption from the requirement to consolidate



Changes in foreign exchange rates (including foreign subsidiaries)

- Functional and presentation currencies
- Treatment of exchange differences
- The closing rate method of consolidating foreign subsidiaries
- Hyperinflation

Part C

Financial instruments under IFRS 9 and IFRS 7

- Classification of equity and liabilities
- Disclosure of the various risks under IFRS 7
- Compound financial instruments such as convertible loan stock
- Accounting for financial assets and financial liabilities
- The various categories of financial assets whether investments in debt or equity and how to account for the various gains and losses
- The impact of IFRS 9 on the classification and measurement of financial assets and liabilities
- The amortized cost method
- Impairment of financial assets
- The difference between 12-month and lifetime expected credit losses
- Fair value and cash flow hedges
- Embedded derivatives

Module 4

Module 4

Part A

Group statement of cash flows

- Dealing with the various issues that arise on preparation of group statements of cash flows such as investments in associates, dividends paid to non-controlling interests and the acquisition and disposal of subsidiaries during the period

More complex consolidations

- More complex group structures and how to deal with the decision as to what method of consolidation to use
- Piecemeal acquisitions, including computation of goodwill and computation of gains or loss on re-measurement
- Disposal of subsidiaries and the difference in treatment when all of the investment is disposed of, an investment remains, an associate remains or after disposal, the group still has a controlling interest

Part B

Share based payment

- Accounting for share-based payment under IFRS 2
- Equity-settled and cash-settled transactions
- The impact of vesting conditions and cancellations or modifications

Operating segments under IFRS 8

- The necessity for segment reporting
- The requirements for identifying segments and the role of the chief operating decision-maker
- Disclosure requirements
- Inter-segment transactions

Fair value measurement

- The requirements of IFRS 13 as they relate to the measurement and disclosure of fair value

Analysis of financial statements

- Introduction to ratio analysis
- When various ratios should be used

Part C

Revision

- Discussion and revision of the most significant issues in order to prepare for the final examination
- A sample examination will be conducted

Examination/fee details

- There will be a two and a half hour examination on the topics covered in the program. The certificate will be awarded on passing the examination with more than 50% of the total marks available

Agenda

The EY Diploma in IFRS

Course schedule

Timing: from 9:00 a.m. to 5:00 p.m.

Dates	Module	Discussion topics
Module 1		
Day 1	Module 1 Part A	<ul style="list-style-type: none"> ▶ IFRS framework ▶ Presentation of financial statements under IFRS ▶ Inventories ▶ Property, plant and equipment
Day 2	Module 1 Part B	<ul style="list-style-type: none"> ▶ Property, plant and equipment (Continued) ▶ Borrowing costs ▶ Government grants and disclosure of government assistance ▶ Investment properties ▶ Exploration for and evaluation of mineral resources (IFRS 6) ▶ Events after the reporting period ▶ Accounting policies, changes in accounting estimates and errors
Day 3	Module 1 Part C	<ul style="list-style-type: none"> ▶ Leases ▶ Intangible assets ▶ Provisions, contingent liabilities and contingent assets
Module 2		
Day 1	Module 2 Part A	<ul style="list-style-type: none"> ▶ Introduction to group accounting ▶ Consolidating the balance sheet/statement of financial position ▶ Consolidating the income statement and/or statement of comprehensive income
Day 2	Module 2 Part B	<ul style="list-style-type: none"> ▶ Impairment of non-financial assets ▶ First time adoption of IFRS ▶ Statements of cash flows
Day 3	Module 2 Part C	<ul style="list-style-type: none"> ▶ Deferred taxation ▶ Revenue from contracts with customers ▶ Related party transaction's

Agenda (contd)

The EY Diploma in IFRS

Course schedule

Timing: from 9:00 a.m.–5:00 p.m.

Dates	Module	Discussion topics
Module 3		
Day 1	Module 3 Part A	<ul style="list-style-type: none">▶ Discontinued operations and assets held for sale▶ Earnings per share▶ Accounting for employee benefits
Day 2	Module 3 Part B	<ul style="list-style-type: none">▶ Associates and joint arrangements and comparison of the various consolidation methods▶ Advanced group accounting▶ Changes in foreign exchange rates (including foreign subsidiaries)
Day 3	Module 3 Part C	<ul style="list-style-type: none">▶ Financial instruments under IFRS 9 and IFRS 7
Module 4		
Day 1	Module 4 Part A	<ul style="list-style-type: none">▶ Group statement of cash flows▶ More complex consolidations
Day 2	Module 4 Part B	<ul style="list-style-type: none">▶ Share based payment▶ Operating segments under IFRS 8▶ Fair value measurement▶ Analysis of financial statements
Day 3	Revision	<ul style="list-style-type: none">▶ Revision day which includes doing a sample exam
XX XXXX 2023	Final examination	

On completion of this program, participants should be able to prepare, analyze and interpret financial statements under International Financial Reporting Standards.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

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The MENA practice of EY has been operating in the region since 1923. For over 97 years, we have grown to over 7,500 people united across 21 offices and 16 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

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