

Implementing International Financial Reporting Standards (IFRS)



An essential course for first time adopters of IFRS

27th & 28th September 2005 (KM1457), The Selfridge Hotel, London
or 14th & 15th February 2006 (KM1581), London



Course Leader

David Cairns provides IFRS consulting and training services for preparers, auditors and users of financial statements. His clients include companies, accounting firms, investment banks, stock exchanges, government agencies and standard setting bodies around the world. He was the Secretary-General of the IASC from 1985 to 1994. He is a member of the IASB's advisory group on SMEs and emerging economies and of the UK ASB's financial services and specialised industries committee. David Cairns is also a Visiting Professor in Accounting & Finance at the London School of Economics & Political Science.



Featuring guest presentations from:

- STANDARD & POOR'S
- ASTRAZENICA
- DELOITTE

PLUS!

Post-Event Workshop

Accounting for Financial Instruments under IAS 32/39

Led by: **Andrew Spooner**, Director, DELOITTE

29th September 2005 or 16th February 2006

The workshop will explain the principles of IAS 32 & IAS 39 and the possible changes to those principles

Official Publication

**COMPANY
REPORTING**

Register Today

Call +44 (0) 20 7915 5055

Fax +44 (0) 20 7915 5056

Email: registration@iir-conferences.com

Website: www.iir-conferences.com/IFRS

Course Background

EU listed companies are required to publish IFRS consolidated financial statements for annual accounting periods that commence on or after 1st January 2005. In many EU member states (including the UK and Ireland) unlisted companies will also be allowed to use IFRS. This means that any company will almost certainly be affected by the move to IFRS.

The EU is not alone in moving to IFRS. Australia, New Zealand and South Africa are adopting IFRS at the same time as the EU and many emerging economies have already started the transition process. Canada, China, Hong Kong, Japan, and the United States are undertaking major projects to converge their existing national standards with IFRS.

The changes from national GAAP to IFRS affect not only the financial statements. They also have wider implications on such issues as investor relations, contracts, debt covenants, management remuneration and even management behaviour.

The impact of IFRS on the financial statement of any company or group is likely to be significant. IFRS requirements on financial assets, business combinations, consolidation, share-based payment, pension costs and deferred taxes are very different from existing national GAAP. There are important differences on topics for which national GAAP and IFRS may appear similar, for example consolidations, property, plant and equipment, inventories, leases and revenue. Furthermore, IFRS are principles-based standards which require a knowledge and understanding of underlying concepts.

Course Benefits

The rapid adoption of IFRS has created the demand for comprehensive, expert and above all practical advice. **This interactive and informal course meets this need.** The course provides a valuable and practical insight into both the principles and application of all IFRS. It includes:

- Expert sessions on all **IFRS requirements that will apply to 2005 financial statements**
- **Case studies** that show how major European companies have implemented IFRS
- **Examples of IFRS practice**
- Details of the IASB's work programme and proposals
- Frequent opportunities to **exchange views** with speakers & peers

This comprehensive and established course will enable you to **identify and avoid common pitfalls in the application of IFRS** and ensure you obtain answers to critical questions affecting your company.

Course Structure

The IFRS/IAS course will provide a valuable and practical insight into all the IFRS/IAS that will apply to 2005 financial statements. It will deal with both the principles and application of each Standard. The presentations will include examples on IAS compliance and non-compliance from published financial statements.

Register Today: Call +44 (0) 20 7915 5055 Fax +44 (0) 20 7915 5056

Email: registration@iir-conferences.com Website: www.iir-conferences.com/IFRS

Sign up TODAY for e-mail updates on our events...
www.iir-conferences.com/optin
e-mail: optin@iir-conferences.com

About Your Course Leaders

The course is designed and delivered for the most part by **David Cairns** who provides IFRS consulting and training services for preparers, auditors and users of financial statements. His clients include companies, accounting firms, investment banks, stock exchanges, government agencies and standard setting bodies around the world. He was the Secretary-General of the IASC from 1985 to 1994. He is a member of the IASB's advisory group on SMEs and emerging economies and of the UK ASB's financial services and specialised industries committee. David Cairns is a Visiting Professor in Accounting at the London School of Economics & Political Science.

David has written extensively on International Financial Reporting issues. He is the author of "Applying International Financial Reporting Standards" (Lexis Nexis 2004), Understanding IFRS (Pearson Education, 2005) and an annual "IFRS Survey". David has also worked for Black & Decker, Carlsberg, Pannell Kerr Forster, Stoy Hayward and Société Générale.

Shân Kennedy is a Director with Chiltern plc and specialises in IFRS and the valuation of shares, share options, businesses and intangible assets.

Shân has over 20 years experience working in the Big 4 accounting firms. She held the position of Director responsible for the valuation specialism at Arthur Andersen and ran the specialism at Deloitte for valuation work in the context of financial reporting. She also spent four years working at the Accounting Standards Board as the Project Director responsible for Goodwill and Intangible Assets accounting – in this role, she researched and put together the proposals underlying FRS 10 'Goodwill and Intangible Assets' and FRS 11 'Impairment of Fixed Assets and Goodwill'. This included developing and field-testing the initial version of the impairment review.

Shân recently spent 6 months advising ABN Amro on their transition to IFRS and has also delivered substantial IFRS training programmes for Lloyds TSB.

Unique Case Study Approach

The IFRS case studies will show how major European companies have tackled the IFRS transition to IAS, the adoption of new and revised IAS, and specific important issues in their published financial statements.

Delegate comments from IFRS in February 2004:

"It's great to be taught by people so knowledgeable about their subject"

Lindsay McKenzie, Senior Group Accountant,
GRAMPIAN COUNTRY FOOD GROUP

"Good presentations by all speakers"

Edward Rands, Senior Manager,
COOPER PARRY

Implementing International Financial Reporting Standards (IFRS)

– An essential course for first time adopters of IFRS in 2005

27th & 28th September 2005 (KM1457), The Selfridge Hotel, London

14th & 15th February 2006 (KM1581), London

Day One

0900

Introduction

- EU regulation: IFRS consolidated financial statements from 2005
- EU proposals on the audit of IFRS financial statements
- The IASB's 'stable platform' of IFRS for 2005 financial statements

0915

IFRS Financial Statements – Principles-Based Standards

- What are principles-based standards?
- The IASB's concepts
- Fair presentation and compliance with IFRS (IAS 1)

0945

First-time Adoption of IFRS - Overview

- The transition from national GAAP to IFRS – annual and interim financial statements (IFRS 1)
- Selection of IFRS accounting policies (IAS 8)
- Exemptions and exceptions from retrospective application (IFRS 1)
- Communicating the transition in interim reports for 2005

1015

Consolidated Financial Statements

- Subsidiaries (IAS 27) including special purpose entities (SIC 12)
- Associates (IAS 28)
- Jointly controlled entities (IAS 31)

1045 Morning Break

1100

Business Combinations

- Acquisitions and the purchase method (IFRS 3)
- Goodwill and negative goodwill (IFRS 3)
- First-time adoption issues (IFRS 1)

1145

Intangible Assets

- Intangible assets (IAS 38 and IFRS 3)
- Acquired and internally developed intangible assets (IAS 38 and IFRS 3)
- Amortisation or impairment (IAS 38)
- First-time adoption issues (IFRS 1)

1230

Tangible Assets

- Property, plant and equipment (IAS 16 and ED 4)
- Investment property (IAS 40)
- Government grants (IAS 20)
- Capitalisation of borrowing costs (IAS 23)
- Biological assets (IAS 41)
- First-time adoption issues (IFRS 1)

1300 Lunch

1400

Impairment of Assets

- Impairment of assets (IAS 36)
- Impairment of intangible assets (IAS 36 and IAS 38)
- Impairment of goodwill (IAS 22 and IAS 36)
- First-time adoption issues (IFRS 1)

1445

Measurement Currency and Presentation Currency

- Functional currency (IAS 21 and IAS 29)
- Foreign currency transactions (IAS 21)
- Foreign operations (IAS 21)
- Measurement currency in consolidated financial statements (IAS 21)

1530 Afternoon Break

1545

Share-Based Payment

- Equity-settled share-based payment transactions
- Cash-settled share-based payment transactions
- Transactions in which company or employee chooses whether to settle in cash or equity

Register Today: Call +44 (0) 20 7915 5055 Fax +44 (0) 20 7915 5056

Email: registration@iir-conferences.com Website: www.iir-conferences.com/IFRS

- Models for determining the fair value of share options
- Timing of recognition of P/L account charges – treatment of vesting periods
- Disclosure and first-time adoption
- Some practical examples

1630

Company Case Study

- Practical steps to translating broad principles into coherent financial statements

1730 End of Day One

Day Two

0900

Financial Instruments

- The impact of the IASB's amendments to IAS 32 and IAS 39
- Financial assets & financial liabilities
- Measurement and classification
- Impairment
- Recognition and derecognition

DELOITTE

1045 Coffee

1100

Financial Instruments contd.

- Hedge accounting (Fair value, Cash flow and Net investment)
- Fair value hedge accounting for a portfolio hedge of interest rate risk
- First time adoption

1200

Implications of IFRS for Credit Analysis

- The impact of the new standards on financial ratios and criteria
- The economic impact on corporate credit analysis
- Key adjustments

1245 Lunch

1345

Revenue and Expenses

- Sale of goods (IAS 18)
- Services and construction contracts (IAS 18 and IAS 11)
- Compound transactions
- Inventories (IAS 2)

1425

Employee Benefits

- Pensions and other post-employment benefits (IAS 19)
- Other long-term benefits (IAS 19)
- Short-term employee benefits
- First-time adoption (IFRS 1)

1445

Provisions and Contingencies

- Recognition and measurement of provisions (IAS 37)
- Restructurings (IAS 37)
- Contingencies (IAS 37)

1515 Afternoon Break

1530

Leases

- Finance leases and operating leases (IAS 17)
- Leases of land and buildings (IAS 16, IAS 17, IAS 40)
- Lease accounting by lessees (IAS 17)
- Lease accounting by lessors (IAS 17)

1600

Income Taxes

- Current and deferred taxes (IAS 12)
- Tax loss carry forwards (IAS 12)

1530

Disclosure and Presentation

- Segment reporting - primary and secondary segments (IAS 14)
- Related party transactions (IAS 24)
- Balance sheet (IAS 1)
- Income statement (IAS 1)
- Earnings per share (IAS 33)
- Discontinuing and discontinued operations (IFRS 5)
- Statement of changes in equity (IAS 1)
- Cash flow statement (IAS 7)
- Changes in Accounting Policy (IAS 8)
- Errors (IAS 8)
- Interim reporting (IAS 34)

1715

Close of Course & Champagne Draw



IIR B.V.2005

Due to unforeseen circumstances, the programme may change and IIR reserves the right to alter the venue and/or speakers

Accounting for Financial Instruments under IAS 32/39

29th September 2005 or 16th February 2006

Programme

0830 Registration

0900

Introduction and Background

9.15

Financial Assets and Financial Liabilities

- Definitions and classifications
- Measurement bases of assets
- Practical measurement considerations:
 - Amortised cost
 - Impairment and uncollectability
 - Obtaining fair values
- Debt vs equity
- Compound instruments

1015 Morning Coffee

1030

Recognition and Derecognition

- Initial recognition
- Trade date versus settlement date
- Derecognition of financial assets
- Derecognition of financial liabilities

1130

Derivatives and Embedded Derivatives

- Definition of derivative
- Normal contracts
- Practical examples
- Embedded derivatives decision tree
- Concept of 'closely related'
- FX embedded derivatives
- Practical examples and issues

Why You Should Attend

As the use of financial instruments for treasury management and other purposes has become widespread, so the accounting standards for such instruments have become **more rigorous and complex**. Furthermore, the new standards affect not only the way the instruments are reported; they also affect the systems that companies must adopt to ensure proper reporting. This workshop will provide a **valuable and practical insight** into both the principles and the application of the relevant IAS.

IAS 39 Financial Instruments: Recognition and Measurement came into effect in 2001 and is the most complex IAS in issue. Implementation has been a challenge for many companies. IAS 32 Financial Instruments: Disclosure and Presentation has been in force for six years, and while there is plenty of practical experience with its requirements, the rules of IAS 32 are changing. Given the scarcity of national GAAP on financial instruments, the adoption of both IAS 32 and IAS 39 is likely to involve the consideration of significant new accounting, presentation and disclosure requirements for many companies.

This workshop will **explain the principles** of IAS 32 and IAS 39 and possible **changes** to those principles. It will then explore some of the more complex issues such as the **classification, measurement and derecognition** of financial instruments, including the determination of **fair values** and **impairment**, and practical issues of achieving **hedge accounting**. The workshop includes both expert sessions on the requirements and **case studies** that highlight the practical issues and possible solutions.

1245

Lunch

1400

Hedge Accounting

- Hedging dilemma
- Fair value hedges
- Cash flow hedges
- Foreign currency hedges
- Hedging requirements:
 - Documentation
 - Effectiveness testing

1500

Hedging: 'Problem Children'

- Non-qualifying exposures
- Problems with common treasury products
- Problems with common treasury strategies
- Macro hedging, portfolio hedging and internal contracts

1545

Afternoon Coffee

1600

Implementation of IAS 32 and IAS 39

- Implementation challenges
- Accounting policy choices
- Wider business considerations
- Project management and timeline

1715

Final Remarks and Close of Workshop



About Your Workshop Leader

Andrew Spooner – Deloitte

Andrew is a Director in the IAS Centre of Excellence in London. Andrew specialises in assisting corporate treasurers with the adoption of IAS 32 and 39, and as well working with investment banks on the accounting implications of structured products and structured transactions. Before joining Deloitte, Andrew was a Director of Accounting Policy at UBS Warburg.

About the Conference Publication

COMPANY REPORTING

'Company Reporting' is a monthly review of financial reporting practice, providing an information service to financial

directors, analysts and accountants using examples drawn from accounts published in the current month. 'Company Reporting' is available on a subscription basis with a discount for small firms. Delegates to this conference will be entitled to an introductory subscription for 15 months for the price of 12 months!

Further details available from

+44 (0) 131 561 8000

or sales@comrep.co.uk www.companyreporting.com

Understanding US GAAP

Friday 18th November 2005, ETC Venues, London

– *An Essential Update on the Latest Standards,
SEC Requirements and Critical IFRS Convergence Issues*

Led by: Dr Christopher Nobes, PricewaterhouseCoopers' Professor of Accounting

This practical and intensive one-day course will give you the ability to:

- A comprehensive view of the most important requirements for preparing financial statements under US GAAP
- An improved ability to assess and interpret US GAAP accounts
- An understanding of the relationship between IFRS and US GAAP and the key differences

Delegate comments from IFRS in February 2004:

"Good overview of many areas without getting overly specific and bogged down"

Craig Hardaker, *Finance Manager,*
SEMBCORP UTILITIES

"David Cairns' presentations are a good and straight to the point introduction to the new world of IFRS"

Henrik Jensen, *Treasury Manager,*
EAST ASIATIC COMPANY

