

ADVANCED FINANCIAL REPORTING

Theme:	Finance
Assessment Weighting:	20% Coursework 80% Examination

INTRODUCTION

This module builds on the concepts, conventions and principles introduced in the modules *Business Accounting* and *Financial Reporting* in Stages I and II. This module is designed to give students a thorough grounding in the practical and theoretical aspects of financial reporting at an advanced level.

AIMS

The aims of this module are to:

- Further explore the principles introduced in the earlier stages of the programme
- Ensure the student can apply the relevant knowledge to various situations
- Enable the student to analyse and evaluate financial statements of both individual and group entities
- Develop student's critical understanding of the current issues in financial reporting, including the professional and ethical duties of an accountant.

LEARNING OUTCOMES

On successful completion of this module, students should be able to:

- Discuss and evaluate the financial reporting framework
- Describe the objectives of financial statements and the qualitative characteristics of financial statements
- Prepare the financial statements of companies, groups and associated undertakings, including overseas subsidiary undertakings, in accordance with International Accounting Standards, company law and EU law, these include:
 - Income Statements
 - Statements of Financial Position
 - Statements of Changes in Equity
 - Cashflow Statements
 - Notes to the accounts
- Interpret and apply international accounting standards and interpretations adopted by the International Accounting Standards Board (IASB) selecting the appropriate accounting treatment for transactions and events
- Analyse and evaluate financial statements, and write detailed reports, tailored to the technical understanding of the different user groups

- Evaluate and discuss the main accounting issues currently facing the professional accountant in the field of financial accounting, including the professional and ethical duties of the accountant

INDICATIVE MODUEL CONTENT

Legislation

- Company Law relating to the preparation of all financial statements,
- European Communities (Companies Group Accounts) Regulations 1992.
- Preparation and Presentation of Financial Statements for Limited Liability Companies:

Accounting treatments

- Definition, classification and valuation of assets
- Accounting procedures for non-current assets
 - IAS 16 Property, Plant & Equipment
 - IAS 17 Leases
 - IAS 20 Accounting for government grants and disclosure of government assistance
 - IAS 23 Borrowing costs
 - IAS 36 Impairment of assets
 - IAS 40 Investment properties
- Valuation of intangible assets - IAS 38
- Valuation concepts applied to current assets
 - IAS 2 Inventory
 - IAS 11 Construction contracts
- Definition, classification and valuation of liabilities
- Accounting principles applied to provisions and contingencies – IAS 37
- Events after the reporting date – IAS 10

Preparation and Presentation of Financial Statements for Limited Companies and other entities:

- Form and content of published financial statements
- Accounting and disclosure requirements of the Companies Acts and Accounting standards including:
 - Presentation of financial statements – IAS 1
 - Accounting policies, changes in accounting estimates and errors – IAS 8
 - Non-current assets held for sale and discontinued operations – IFRS 5
 - Revenue – IAS 18
 - Income taxes – IAS 12
 - Financial instruments, disclosure and presentation – IAS 32
 - Financial instruments, recognition and measurement – IAS 39

Preparation of financial statements for groups of companies

- Business Combinations – IFRS 3
- Consolidated and separate financial statements – IAS 27
- Investments in associates – IAS 28
- Exclusions from consolidations
- Treatment of Goodwill – IAS 38
- Effects of changes in foreign exchange rates – IAS 21

Analysis and interpretation of financial statements and related information

- Interpretation of financial statements through ratio analysis
- Preparation of reports on financial performance for various user groups
- Earnings per share – IAS 33
- Analysis of corporate information
- Preparation of basic cash flow statements for limited liability companies – IAS 7
- Related party transactions and disclosures – IAS 24
- Segment reporting – IAS 14
- Social and environmental reporting.