

FINANCIAL REPORTING

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

INTRODUCTION

This module builds on the basic techniques introduced in *Business Accounting* and further develops knowledge and understanding of more advanced financial accounting concepts and principles. Students will be required to apply this understanding by preparing and interpreting financial reports in a practical context.

AIMS

The aims of this module are to:

- Further develop students knowledge, understanding and application of accounting concepts and techniques
- Provide students with the opportunity to apply this understanding by preparing and interpreting financial reports in a practical context
- Ensure students can interpret financial statements for incorporated enterprises, partnerships and sole traders.

LEARNING OUTCOMES

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

- Appraise and apply specified accounting concepts and theories to practical work place situations
- Appraise and apply the regulatory framework of financial reporting
- Prepare the financial statements of companies in accordance with current international financial reporting standards and national and EU legislation, including:
 - Income Statements,
 - Statements of Financial Position,
 - Statements of Changes in Equity
 - Cashflow Statements.
 - Notes to financial statements in accordance with current international financial reporting standards and national and EU legislation
- Prepare basic financial statements for sample groups in accordance with current international financial reporting standards and national and EU legislation
- Analyse, interpret and report on financial statements (including cash flow statements) and related information to a variety of user groups.

INDICATIVE MODULE CONTENT

Accounting Principles; Concepts and Theory

- Statement of Principles for Financial Reporting
- Revenue recognition – IAS 18
- Substance over form

Accounting Treatments

- Definition, classification and valuation of assets
- Accounting procedures for tangible non-current assets – IAS 20, IAS 16
- Valuation of intangible assets – IAS 38
- Valuation concepts applied to current assets – IAS 2, IAS 11
- Definition, classification and valuation of liabilities
- Accounting principles applied to provisions and contingencies – IAS 37
- Events after the reporting period – IAS 10

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

- Accounting for share capital and reserves
- Issue and redemption of shares
- Distributable profits
- Form and content of published financial statements
- Accounting and disclosure requirements of the Companies Acts and Accounting Standards including:
 - IAS 1 – Presentation of financial statements
 - IAS 8 – Accounting Policies, changes in accounting estimates and errors

Preparation of Financial Statements for Groups of Companies

- Definition of subsidiary companies
- Exclusions from consolidations
- Preparation of basic consolidated financial statements (excluding cash flow statements)
- Treatment of Goodwill – IAS 38

Analysis and Interpretation of Financial Statements and related information

- Ratio analysis, cash flow analysis, and the preparation of reports thereon
- Analysis of corporate information
- Reports on financial performance for various user groups
- Preparation of basic cash flow statements for limited liability companies – IAS 7
- Related party transactions – IAS 24
- Segmental information – IAS 14