

International Financial Reporting Standards(IFRS)

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Process of setting IFRS

1. Setting the agenda
2. Project planning
3. Developing and publishing the discussion paper, including paper and public consultation
4. Developing and publishing the exposure draft
5. Developing and publishing the standards
6. Procedures after a standards issued

Theoretical study of IFRS 1 to 15


- IFRS -1 (First time adoption of IFRS)
 - Sets of requirements on the preparation presentation
 - Necessary comparative information is prescribed;
 - At least 3 statements of financial position
 - 2 statements of comprehensive income
 - 2 separate income statements
 - 2 statement of cash flow
 - 2 statements of changes in equity
 - Related notes including comparative information

IFRS-2: Share based payments

- It is transaction in which the entity receives goods or services as consideration for equity instruments of the entity.
- Objective is to specify financial reporting by an entity when it undertaken share based payment transaction
- It requires to reflect in its profit or loss & financial position the effects of share based payment transaction.

IFRS-3: Business Combinations

- A business combination is a transaction or event in which an entity (acquirer) obtains control of one or more business (acquiree).
- It provides rules for recognition & measurement of business combinations when one company acquires assets and liabilities of another.
- it does not set out the rules for preparation of consolidated financial for business combination.
- It clarifies how to identify business combination & prescribes to apply the acquisition method in accounting.

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- Steps for applying acquisition method
 1. Identifying the acquirer
 2. Determining the acquisition date
 3. Recognize & measuring the identifiable assets acquired liabilities assumed & non controlling interest.
 4. Recognizing & measuring goodwill or gain from purchase.

IFRS- 4: Insurance contract

- It explains about rules of financial report of insurance contract by entity who issues such contracts (insurance company) & by entity who holds them.
- IFRS-4 does not apply to other assets & liabilities of insurer
- IFRS-4 does not apply to policy holders.
- It addresses some specific issues in insurance contracts, situations like insurance and deposits

IFRS-5: Non current Assets held for Sale & Discontinued Operations

- It specifies accounting for assets or disposal groups held for sale & presentation & disclosure of discontinued operation
- It establishes rules for measurement of assets or disposal groups held for sale.
- It sets rules for the situation when an entity makes changes to a plan of sale.
- It explains the term discontinued operations & prescribes what shall be reported in the statement income & cash flow.

IFRS-6: Exploration for & evaluation of Mineral Resources.

- It specifies reporting of the expenditure for the & evaluation of mineral resources (oil natural gas & similar non-regenerative resources).
- It prescribes that exploration & evaluation assets shall be measured at cost.
- It provides rules for subsequent measurement, changes in accounting policies & impairment of these assets.
- It describes classification & reclassification of exploration & evaluation assets & number of disclosure is prescribed.

IFRS-7: financial instruments: disclosures

- To prescribe disclosure that enables financial statement users to evaluate the significance of financial instrument.
- It requires disclosure of various financial assets @ fair value & not directly book value.
- IFRS-7 requires disclosures in 2 categories:
 - First category represents disclosures about significance of financial instruments for financial position & performance
 - Other required disclosures refer to accounting policies applied, fair value information.

IFRS-8: Operating Segments

- It prescribes the information that an entity must disclose about its business activities (operating segments, products & services, geographical areas, & its customers)
- IFRS-8 only applies only to entities whose debt or equity instruments are traded in public market.
- It set rules for reportable to entities that each segments to be reported separately.
- It also prescribes number of disclosures to operating segments (general information, information about profit & loss A/c, assets & liabilities measurement of assets, information about product & services.

IFRS-9: Financial instruments

- It deals with recognition, classification, measurement & de-recognition of financial instruments.
- IFRS set out rules for transfer of financial asset
- It explains how to report transfers, when they qualify for de-recognition & when they do not qualify for de-recognition.
- It also deals with classification of financial asset & liabilities.

IFRS-10: Consolidated Financial Statements

- To prescribes a single consolidation model for all entities based on control, irrespective of nature of investee
- IFRS-10 is applicable when the basis of entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose

IFRS-11: Joint Arrangements

- It sets a principles for reporting of joint arrangements. arrangements of which 2 or more parties have joint control.
- it gives guidance for existence of joint control.

IFRS-12: Disclosure of interest in other entities

- Prescribes what disclosures shall be provided in the financial statements with regard to interest in subsidiaries
- It enables the users to evaluate the nature, risk associated, entities holding with other entities, effect of those interests on their financial position, financial position & cash flows.

IFRS-13: Fair value measurement

- It guides on how to determine fair value
- It prescribes required disclosure about fair value measurement.
- It does not explain which item should be measured or disclosed @ fair value

IFRS-14: Regulatory Deferral Account

- It specifies the financial reporting requirements for regulatory suspended account balance (eg. Individual retirement account)
- Separate line items are presented in the statement of financial position for total debit balance & credit balance
- Net movement in deferral account balance should be shown separately in statement of Profit or loss

IFRS-15: Revenue from contract from customers

- It prescribes the accounting treatment for revenue arising from sale of goods & rendering services to a customer

Standard	Title	Originall y issues	Effective date
IAS 1	Presentation of financial statements	1975	01/01/1975
IAS 2	Inventories	1976	01/01/1976
IAS 3	Consolidated financial statements	1976	01/01/1977
IAS 4	Depreciation accounting	1976	01/01/1977
IAS 5	Information to be disclose in the financial statements	1976	01/01/1977
IAS 6	Accounting responses to changing prices	1977	01/01/1978
IAS 7	Statement of cash flows	1977	01/01/1979
IAS 8	Accounting policies, changing in accounting estimates & errors	1978	01/01/1979
IAS 9	Accounting for research & development activities	1978	01/01/1980
IAS 10	Events for reporting period	1979	01/01/1980
IAS 11	Constriction contract	1979	01/01/1981
IAS 12	Income taxes	1979	01/01/1981
IAS 13	Presentation of current assets ¤t liabilities	1979	01/01/1981
IAS 14	Segment reporting	1981	01/01/1983

Standard	Title	Originaly issues	Effective date
IAS 15	Information reflecting the effect of changing prices	1981	01/01/1983
IAS 16	Property plant and equipment	1982	01/01/1983
IAS 17	Lease	1982	01/01/1983
IAS 18	Revenue	1982	01/01/1984
IAS 19	Employee benefits	1983	01/01/1985
IAS 20	Accounting for govt. grants & disclosure of Gvot. Assistance	1983	01/01/1984
IAS 21	The effects of changes in foreign exchange rates	1983	01/01/1985
IAS 22	Business combinations	1983	01/01/1985
IAS 23	Borrowing costs	1984	01/01/1986
IAS 24	Related disclosures	1984	01/01/1986
IAS 25	Accounting for investments	1986	01/01/1987
IAS 26	Accounting & reporting by retirement benefit plans	1987	01/01/1988
IAS 27	Separate financial statements	1989	01/01/1990

Standard	Title	Originally issues	Effective date
IAS 28	Investments in associates	1989	01/01/1990
IAS 29	Financial reporting in Hyperinflationary economies	1989	01/01/1990
IAS 30	Disclosures in the financial statements of banks & similar financial institutions	1990	01/01/1991
IAS 31	Interest in joint ventures	1990	01/01/1992
IAS 32	Financial instruments: presentations	1995	01/01/1996
IAS 33	Earnings per share	1997	01/01/1999
IAS 34	Interim financial reporting	1998	01/01/1999
IAS 35	Discounting operations	1998	01/01/1999
IAS 36	Impairment of assets	1998	01/07/1999
IAS 37	Provisions, contingent liabilities & assets	1998	01/07/1999
IAS 38	Intangibles assets	1998	01/07/1999
IAS 39	Financial instruments: recognitions & measurement	1998	01/01/2001
IAS 40	Investment property	2000	01/01/2001
IAS 41	Agriculture	2000	01/01/2003

Ind As No.	Name of Indian Accounting Standard
Ind AS 101	First-time adoption of In AS
Ind AS 102	Share Based payments
Ind AS 103	Business Combination
Ind AS 104	Insurance Contracts
Ind AS 105	Non-Current Assets Held for Sale and Discontinued Operations
Ind AS 106	Exploration for and Evaluation of Mineral Resources
Ind AS 107	Financial Instruments: Disclosures
Ind AS 108	Operating Segments
Ind AS 109	Financial Instruments
Ind AS 110	Consolidated Financial Statements
Ind AS 111	Joint Arrangements
Ind AS 112	Disclosure of Interests in Other Entities
Ind AS 113	Fair Value Measurement
Ind AS 114	Regulatory Deferral Accounts
Ind AS 115	Revenue from Contracts with Customers
Ind AS 1	Presentation of Financial Statements

Ind AS 2	Inventories Accounting
Ind AS 7 & in only AS 3	Statement of Cash Flows
Ind AS 8	Accounting Policies, Changes in Accounting Estimates and Errors
Ind AS 10	Events after Reporting Period
Ind AS 11	Construction Contracts
Ind AS 12	Income Taxes
Ind AS 16	Property, Plant and Equipment
Ind AS 17	Leases
Ind AS 18	Revenue
Ind AS 19	Employee Benefits
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance
Ind AS 21	The Effects of Changes in Foreign Exchange Rates
Ind AS 23	Borrowing Costs
Ind AS 24	Related Party Disclosures
Ind AS 27	Separate Financial Statements

Ind As No.	Name of Indian Accounting Standard
Ind AS 28	Investments in Associates and Joint Ventures
Ind AS 29	Financial Reporting in Hyper inflationary Economies
Ind AS 32	Financial Instruments: Presentation
Ind AS 33	Earnings per Share
Ind AS 34	Interim Financial Reporting
Ind AS 36	Impairment of Assets
Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets
Ind AS 38	Intangible Assets
Ind AS 40	Investment Property
Ind AS 41	Agriculture