

IFRS – Foreign Currency Transactions and Operations: 4 Hours

Delegate Profile: This course is targeted at delegates working in a financial reporting function, who want to gain a greater awareness and understanding of how to account for foreign currency transactions and operations under IFRS.

Key Learning Outcomes

- Delegates will learn how to account for foreign currency transactions under IFRS
- They will learn how foreign subsidiaries are consolidated within group accounts and how to account for the related transaction and translation exposures
- Finally, they will learn how to manage foreign currency exposures using derivatives and 'natural' hedging, and how to apply hedge accounting rules to avoid income statement volatility and mis-matches

Pre-requisite Knowledge: Delegates should already be familiar with basic financial statement analysis and be able to read and interpret financial accounts (profit & loss, balance sheet and cash flow).

Our Approach: In this course we facilitate the learning process through a combination of:

- Presentation of core knowledge and concepts using power point slides
- Press articles and real life case studies, demonstrating how the accounting concepts are applied in practice
- Short exercises, to put concepts into practice
- Regular summaries, to remind delegates of the key points of each session
- End of Day quiz, to confirm the achievement of the learning outcomes
- One page course summary, as a take away and reminder of the key learning points

Training Fees: £1,500 plus VAT. This covers all research, design and delivery of the training by James Gilpin, for up to 20 delegates.

Expenses: All incremental travel and accommodation expenses will be charged separately, however, we will work hard to ensure all costs are kept to a minimum. With regard to materials, JGFT can provide 2 options:

- JGFT can arrange for all materials to be professionally printed and couriered to the training centre for which we would recharge the cost (for 20 delegates approximately £200 - £300)
- All materials will be sent electronically to the client with instructions to print internally (at no additional cost)

Day One: 4 Hours

Session 1

Accounting for Foreign Currency Transactions

- Determining a Functional Currency
- Initial Recognition
- Subsequent Measurement
- Recognition of Exchange Differences
- Monetary vs. Non-Monetary Items

Session 2

Consolidated Financial Statements

- Translation of Foreign Operations
- Goodwill and Fair Value Adjustments
- Minority Interests
- Differences in Reporting Dates
- Intra-Group Trading Transactions
- Intercompany Dividends
- Disposal of a Foreign Operation

Session 3

Managing Foreign Exchange Risks

- IAS 39: Hedge Accounting
- Fair Value hedges
- Cash Flow hedges
- Net Investment Hedges
- FX Forwards vs. Cross Currency Swaps
- Natural Hedging

Session 4

Accounting in a Hyperinflation Currency

- Indicators of Hyperinflation
- Monetary Items
- Non-Monetary Items