

STAGE: PROFESSIONAL 2

Subject Title:

ADVANCED CORPORATE REPORTING

Examination Duration: 3.5 hours (Open Book)

Aim

The aim of this subject is to ensure that students apply the appropriate judgement and technical ability in the preparation and interpretation of financial statements for complex business entities. Students must also be able to evaluate and communicate the impact of current issues and developments in corporate reporting to those who may not have such theoretical and technical expertise.

Advanced Corporate Reporting as an Integral Part of the Syllabus

By using a case study approach Advanced Corporate Reporting develops the knowledge and technical skills acquired in Financial Accounting and Corporate Reporting to ensure that students can view financial reporting in its broadest context.

Stage	Subject	Subject	Subject	Subject	Subject	Subject
P2	Strategic Corporate Finance	Strategic Performance Management	Advanced Corporate Reporting	Strategy & Leadership	Audit Practice and Assurance Services	Advanced Taxation
P1		Managerial Finance	Corporate Reporting	Corporate Laws and Governance	Auditing	
F2		Management Accounting	Financial Accounting	Information Systems	Taxation	
F1			Management in Organisations	Economics and Business Planning	Business Law and Professional Ethics	

Advanced Corporate Reporting integrates and builds on and integrates, as appropriate, the capabilities developed in the earlier subjects as highlighted in the table above.

Learning Outcomes

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

- Prepare the financial statements of companies, groups and associated undertakings, including overseas subsidiary undertakings, in accordance with International Financial Reporting Standards (IFRS), company law and E.U. law. These include:
 - Statements of Profit or Loss and Other Comprehensive Income,
 - Statements of Financial Position,
 - Statements of Changes in Equity, and
 - Cash Flow Statements.
- Discuss the circumstances under which organisations may, or must, apply IFRS and / or local UK and Irish GAAP demonstrating an understanding of the key accounting and presentation differences between them if Local GAAP were to be applied.
- Appraise and apply the acquisition method of accounting and related disclosure requirements in financial statements and notes.
- Interpret and apply international financial reporting standards and interpretations adopted by the IASB, selecting the appropriate accounting treatment for transactions and events.
- Analyse and evaluate financial statements.
- Write detailed reports, tailored to the technical understanding of the different user groups.
- Critically evaluate the main accounting issues currently in the field of corporate reporting.
- Demonstrate appropriate professional judgement and ethical sensitivity.

Syllabus

1: LEGISLATION	CL*
Company Law relating to the preparation of financial statements, including Group Accounts	3
	3

2: LOCAL GAAP

FRS 100 and IFRS, with particular reference to scope, terminology used, and format of accounts. 2

FRS 100 – the differences between FRS 100 and IFRS with particular reference to: scope; terminology used; and format of accounts. 2

FRS 101 – the differences between FRS 101 and IFRS with particular reference to the scope of this standard. 2

FRS 102 – the key differences between accounting treatments examinable under IFRS and the equivalent elements of FRS 102. (Sections 12, 31 and 34 are excluded). 2

3: PREPARATION OF FINANCIAL STATEMENTS (INCLUDING CONSOLIDATED FINANCIAL STATEMENTS)

Statutory financial statements for incorporated entities, 3

Consolidated financial statements. 3

4: INTERNATIONAL FINANCIAL REPORTING

An in-depth critical understanding of all technical pronouncements currently in issue, with particular reference to their application to practical situations, (a full list of the relevant technical pronouncements is contained in the Examinable Material Document on pages 92 to 99 of this syllabus). 3

Current issues in Corporate Reporting. 2

5: ANALYSIS, EVALUATION AND INTERPRETATION OF FINANCIAL STATEMENTS

Ratio analysis and cash flow analysis. 3

Critical appraisal of financial statements.	3
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Interpretation of financial statements and preparation of reports thereon.	3
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INTERNATIONAL FINANCIAL REPORTING STANDARDS:

See Examinable Material Document on pages 92 to 99 for details of the International Financial Reporting Standards etc. applicable to this examination.

COMPANIES ACT:

See Examinable Material Document on pages 92 to 99 for details of the Companies Act applicable to this examination.

ASSESSMENT STRATEGY

Examination Approach This examination paper, which uses a case-study format, is the final test of students' ability to understand and apply the theory of financial reporting to a number of practical accounting issues. The case-study is designed to test students' ability to digest a considerable amount of detailed information about the affairs of a single company or group of companies. From that data, students are required to prepare a number of primary statements i.e. published or consolidated financial statements. A substantial narrative element is included requiring students to prepare both internal and external reports.

The assessment is designed to weight the marks mainly towards the presentational element of both the narrative and computational parts of the case study. There is a considerable portion of marks available for the display of sound technical judgement. The case-study includes a range of current technical issues requiring, in many situations, substantial adjustments to the draft figures provided in the question. Students are expected to demonstrate a strong technical understanding of how to solve external financial reporting issues and display sound professional judgement and ethical sensitivity. They are also required to write reports or memoranda tailored to the technical skills and understanding of various user groups in order to assess their presentation and communication skills.

EXAMINATION FORMAT

The examination is open book and of 3.5 hours duration. The paper consists of one case study.

MARKS ALLOCATION

The total for the paper is 100 marks. The case-study requirement is generally broken down into four or five separate sections with approximately 50% of the marks for technical ability. The balance of the marks is awarded for the ability to: interpret financial statements; appraise, apply and communicate the theoretical concepts underpinning technical adjustments; and ethical and current issues in financial accounting.

Learning Resources

CORE TEXTS

C. Connolly / International Financial Accounting and Reporting 6th ed. / CAI 2018 / ISBN-13: 978-1912350025

Elliott and Elliott, Financial Accounting and Reporting, 2017 Pearson (18th edition) ISBN-13: 978-1292162409

A new era for Irish & UK GAAP - A quick reference guide to FRS102 – Robert J. Kirk www.cpaireland.ie/docs/defaultsource/Members/Publications/a-new-era-for-irishamp-uk-gaap---a-quick-reference-guide-tofrs102.pdf?sfvrsn=0

MANUALS

Griffith College, CPA P2 Advanced Corporate Reporting - Latest edition

SUPPLEMENTARY TEXTS AND JOURNALS

Cotter / Advanced Financial Reporting; A Complete Guide to IFRS/ 2012/ ISBN-13: 978-0273732358

Collins, McKeith / Financial Accounting and Reporting / McGraw-Hill 2009 / ISBN 978-0077114527

Melville / International Financial Reporting / 5th Edition / Pearson 2016 / ISBN-13: 978-1292086231

CPA Students' eBulletin.

AccountancyPlus.

USEFUL WEBSITES (AS AT DATE OF PUBLICATION)

www.cpaireland.ie - CPA Ireland.

www.iaasa.ie/ - Irish Auditing and Accounting Supervisory Authority.

www.ifac.org/ - The International Federation of Accountants.

www.ifrs.org/ - The International Financial Reporting Standards Foundation.

www.iasplus.com - Deloitte Touche Tohmatsu. Summaries of International Financial Reporting Standards (IFRS).

www.fee.be/ - The European Federation of Accountants.

www.efrag.org/ - The European Financial Reporting Advisory Group.

www.frc.org.uk/ - The Financial Reporting Council.

www.frc.org.uk/About-the-FRC/FRCstructure/Audit-and-Assurance-Council.aspx - FRC - Audit and Assurance Council

frc.org.uk/About-the-FRC/FRCstructure/Accounting-Council.aspx, FRC Accounting Council

www.frc.org.uk/About-the-FRC/FRCstructure/Conduct-Committee.aspx - FRC-Conduct Committee

www.accountingnet.ie/ - Irish Accounting and Business Portal.