

IFRS



EDUCATION GOALS

- Understand and analyse the fundamental differences between French standards (PCG) and IFRS
- Understand the challenges of harmonising international accounting standards
- Understand the accounting framework defined by the IASC (the International Accounting Standards Committee)
- Measure and record fixed assets and leases

WORD FROM THE AUTHOR – Maïté ROUANNE

« International Financial Reporting Standards (IFRS) are a set of international accounting standards that aim to guarantee uniform, clear and comparable financial information.

This module uses a hands-on approach to address the differences between French GAAP (as set out in the Plan Comptable Général or "PCG") and the methods used to record and calculate transactions under IFRS. It helps learners to quickly understand the key questions raised by IFRS and to visualise their effects on financial statements presented under international standards. »

Level

Intermediate

Expert

4
Modules

5 H



M81 – PUTTING THE IFRS FRAMEWORK INTO CONTEXT

Objectives education

- Identify the companies that are required to comply with IFRS
- Determine the key differences between the EU accounting framework and French GAAP
- Be able to present a balance sheet and an income statement under IFRS

Word from the author

« High quality financial information is essential to guarantee the transparency needed for financial markets to function effectively.

French GAAP is disconnected from market realities. The accounting framework imposed by the European Union, on the other hand, enables us to better understand and compare the financial statements of European companies at a time when financial scandals have damaged the trust of the public, savers and investors.

It is important to note the difference between the French standards that apply to individual financial statements and those that apply to consolidated financial statements. »

Chapters

- Compliance with IFRS
- Main differences between IFRS and French GAAP (PCG)
- Presentation of the financial statements under IFRS

Quiz

- Putting the IFRS framework into context
- Understanding IFRS principles

M82 – MEASURING AND RECORDING FIXED ASSETS

Objectives education

- Put the legal framework for fixed assets into context
- Understand depreciation and amortisation
- Show the fair value of fixed assets

Word from the author

« The IFRS framework completely changed the accounting approach for fixed assets, both in terms of definition and measurement. IFRS now require an approach as close as possible to the economic reality of the transaction: different useful lives for different parts of the same fixed asset, assessment of fair value, calculation of the present value of future economic benefits, integrating the expenses directly attributable to bringing the asset into use in the initial value of the asset, etc. These changes will complicate the work of accounting departments, requiring a close collaboration with operating staff, who are a useful source of technical information. Since 1 January 2005, French GAAP (PCG) has been aligned with IFRS, with the exception of the discounting principle, which has not been adopted by French GAAP. »

Chapters

- Defining fixed assets under IFRS
- Subsequent valuations under IFRS

Case study

- Calculating the depreciation schedule
- Depreciation methods
- Fixed assets
- Revaluing properties

M83 – TREATMENT OF LEASES

Objectives education

- Distinguish the different types of leases
- Record a finance lease in the accounts
- Present the elements of a finance lease under both IFRS and French GAAP

Word from the author

« IFRS are based on economic reality (in other words, "substance over form"), while French standards adopt a legal ownership approach. The funding method for fixed assets should therefore not affect the presentation of the balance sheet.

Consolidated financial statements prepared under IFRS must include fixed assets held via finance leases, as a finance lease is only a funding method – it does not alter the actual use of the good. »

Chapters

- Finance leases, operating leases
- Recording a finance lease in the accounts

Quiz

Case study

- Leases

M84 – IDENTIFYING THE DIFFERENCES

Objectives education

- List the different types of retirement plan
- Calculate retirement benefits under IFRS
- Understand deferred taxes

Word from the author

« Some divergences remain with respect to specific transaction, such as pension obligations and deferred taxes.

The goal is to clarify these concepts and to highlight how the divergences between financial statements prepared under IFRS and French GAAP affect our reading of the financial statements, without going into detailed financial calculations. »

Chapters

- Recording provisions for pension obligations
- Accounting for the deferred tax position

Case study

- Retirement benefits
- Economic tax – Deferred tax assets