

# Examinable Documents 2013 and June 2014

The documents listed as being examinable are the latest that were *issued* prior to 30th September 2012 and will be examinable in June and December 2013 and June 2014 examination sessions.

## FINANCIAL REPORTING

The examinable documents below are applicable to the International and UK papers as indicated at the start of each table

Knowledge of new examinable regulations issued by 30<sup>th</sup> September will be required in examination sessions being held in the following calendar year. Documents may be examinable even if the *effective* date is in the future.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should be read in conjunction with the examinable documents list.

## APPLICABLE TO INTERNATIONAL AND UK

	Title	F7	P2
	<b>International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs)</b>		
IAS 1	Presentation of Financial Statements	✓	✓
IAS 2	Inventories	✓	✓
IAS 7	Statement of Cash Flows	✓	✓
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓	✓
IAS 10	Events after the Reporting Period	✓	✓
IAS 11	Construction Contracts	✓	
IAS 12	Income Taxes	✓	✓
IAS 16	Property, Plant and Equipment	✓	✓
IAS 17	Leases	✓	✓
IAS 18	Revenue	✓	✓
IAS 19	Employee Benefits		✓
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	✓	✓
IAS 21	The Effects of Changes in Foreign Exchange Rates		✓
IAS 23	Borrowing Costs	✓	✓
IAS 24	Related Party Disclosures		✓
IAS 27	Separate Financial Statements	✓	✓
IAS 28	Investments in Associates and Joint Ventures	✓	✓
IAS 32	Financial Instruments: Presentation	✓	✓
IAS 33	Earnings per Share	✓	✓
IAS 34	Interim Financial Reporting		✓
IAS 36	Impairment of Assets	✓	✓
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓	✓
IAS 38	Intangible Assets	✓	✓
IAS 39	Financial Instruments: Recognition and Measurement	✓	✓
IAS 40	Investment Property	✓	✓
IFRS 1	First-time Adoption of International Financial Reporting Standards		✓
IFRS 2	Share-based Payment		✓
IFRS 3 (revised)	Business Combinations	✓	✓

IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations	✓	✓
IFRS 7	Financial Instruments: Disclosures	✓	✓
IFRS 8	Operating Segments		✓
IFRS 9	Financial Instruments	✓	✓
IFRS 10	Consolidated Financial Statements	✓	✓
IFRS 11	Joint Arrangements		✓
IFRS 12	Disclosure of interests in Other Entities		✓
IFRS 13	Fair Value Measurement	✓	✓
IFRS for SMEs	IFRS for Small and Medium sized Entities		✓
	<b>Other Statements</b>		
	The Conceptual Framework for Financial Reporting	✓	✓
Practice Stmt	Management Commentary		✓
	<b>EDs, Discussion Papers and Other Documents</b>		
ED2009/12	Financial Instruments: Amortised Cost and Impairment (inc expected loss approach)		✓
ED 2011/06	Revenue from contracts with customers		✓
ED 2010/09	Leases		✓
Draft	IFRS 9 – Chapter 6 -Hedge Accounting		✓
ED 2012/1	Improvements to IFRSs		✓
ED 2011/4	Investment Entities		✓

#### Note

The accounting of financial assets and financial liabilities is accounted for in accordance with IFRS 9 to the extent that this standard was in issue as at 30 September 2012. For any elements of the study guide deemed as examinable and not covered by IFRS9, these elements should be dealt with by studying IAS39.

#### ADDITIONALLY EXAMINABLE FOR UK and IRISH PAPERS ONLY

Indicated below are the main areas of difference between IFRS and UK standards/legislation. Some differences are examinable in only F7 or P2 UK papers, both or neither UK paper.

International Std	UK Std	UK difference	Difference examinable in F7?	Difference examinable in P2?
IAS1	Co Act	Difference in terminology	No	No
	FRS3	Disclosure of certain exceptional items on face of statement of profit or loss not specified by IAS1 although some picked up by IFRS5	Yes	No
	FRS3	Separate presentation of STRGL and statement of profit or loss whereas International combines statements	No	No
	FRS18	Less extensive disclosure requirements for estimation techniques	No	No
IAS2	SSAP9	Slight wording differences which mean that LIFO could be allowable whereas this doesn't appear within International	No	No
IAS7	FRS1	Format more detailed	Yes	No
	FRS1	Cash and cash equivalents more strictly defined	Yes	No

	FRS1	Exemptions available from preparing cash flow	No	Yes
IAS8	FRS3	Fundamental errors vs. International's material errors although broadly similar	No	No
IAS10	FRS21	No examinable differences	No	No
IAS11	SSAP9	Services fall within scope whereas International this is addressed by IAS18, although principle broadly the same	No	No
	SSAP9	Disclosure of year end balance split into recoverable on contracts and long term contract balances	Yes	No
IAS12	FRS19	Timing differences rather than temporary differences	Yes	Yes
	FRS19	Permits discounting	Yes	Yes
	FRS19	Revaluation less likely to create deferred tax balance	Yes	Yes
IAS16	FRS15	Revaluation frequency specified by time (every 5 years) whereas International solely based on material changes in fair value as frequency indicator	Yes	Yes
	FRS15	Different methods of revaluation dependent on the asset type	Yes	Yes
	FRS15	Treatment of revaluation gains and losses especially with reference to clear consumption of economic benefit	Yes	Yes
IAS17	SSAP21	90% test included as part of guidance in lease classification	Yes	Yes
	SSAP21	Encourages land and buildings to be accounted for separately.	No	Yes
	SSAP21	Sale and finance leaseback requires asset to be disposed with new finance lease created and disposal profit to be deferred over lease term. Additionally UK rules allow funds to be treated as a secured loan per FRS5	No	Yes
	SSAP21	Operating lease incentives to be spread over shorter of lease term and period of next rent review. International spreads over lease term	No	Yes
IAS18	FRS5	In principle similar	No	No
IAS19	FRS17	Restricted scope as only covers retirement benefits whereas International covers various short term and long term employee benefits	No	Yes
	FRS17	Deferred tax balances netted off net pension asset/liability, whereas shown separately under International	No	No
IAS20	SSAP4	Cannot net off grant against non current asset to which it relates (although CoAct disallows not the standard)	No	No
IAS21	FRS23	No examinable differences	No	No
IAS23	FRS15	Choice as to whether capitalise borrowing costs	Yes	Yes
IAS24	FRS8	Materiality considered from perspective of company and related party	No	Yes
	FRS8	Requires disclosure of names of related party where transaction has occurred	No	Yes

	FRS8	Wholly owned UK subs exempt from disclosing in their own accounts transactions with parent	No	Yes
IAS26		No UK equivalent	No	No
IAS27		No equivalent standard in UK	No	No
IAS28	FRS9	Equity accounting in statement of profit or loss shows associate split out across a number of lines whereas International show associate as one balance	No	No
	FRS9	UK standard requires gross equity method for joint ventures, but International requires equity accounting for both.	No	Yes
IAS29	FRS24	No examinable differences	No	No
IAS32	FRS25	No examinable differences	No	No
IAS33	FRS22	No examinable differences	No	No
IAS34	Stmnt on Interim reports	No examinable differences	No	No
IAS36	FRS11	Impairment on IGU specifically allocated to specifically damaged asset then to goodwill, intangibles and then tangible assets. International does not separate intangibles from tangibles	No	Yes
IAS36	FRS11	Allocation of impairment loss on clear consumption to profit or loss irrespective of revaluation balance relating to asset	Yes	Yes
IAS36	FRS11	Reversals of goodwill and intangibles only if external event clear demonstrates reversal of impairing event. UK standard more restrictive. Goodwill impairments will realistically not be reversed whereas International specifically disallows reversals of goodwill impairments.	No	Yes
	FRS11	Requires future cash flows to be monitored for next 5 years to ensure that asset not further impaired.	No	No
IAS37	FRS12	No examinable differences	No	No
IAS38	SSAP13	Choice as to whether capitalise development costs or write off to profit or loss	Yes	Yes
	FRS10	Only separable intangibles can be capitalised whereas International allows capitalisation if non separable but legal or contractual rights are held	Yes	Yes
IAS39	FRS26	Treatment of financial asset differences due to IFRS9 otherwise no examinable differences. See IFRS9	No	No
IAS40	SSAP19	No choice between cost model or fair value model	No	Yes
	SSAP19	Treatment of revaluation gains and losses to revaluation reserve unless permanent diminution	No	Yes
IAS41		No UK equivalent	No	No
IFRS1		No UK equivalent	No	No
IFRS2		No examinable differences	No	No
IFRS3	FRS6	Merger accounting where applicable	No	No
	FRS6	Merger accounting on reconstructions	No	Yes
	FRS7	NCI only calculated under partial method	Yes	Yes
	FRS7	Acquisition costs capitalised	Yes	Yes

		Changes in contingent consideration capitalised within cost of investment	Yes	Yes
	FRS7	Only separable intangibles can be capitalised	Yes	Yes
	FRS10	Goodwill amortised with rebuttable assumption of life not exceeding 20 years	Yes	Yes
	FRS10	Negative goodwill capitalised and amortised over life of assets to which they relate	Yes	Yes
	FRS7	Goodwill calculation difference on piecemeal acquisitions	No	Yes
IFRS4	FRS27	Covers life assurance businesses although principles are similar	No	No
IFRS5	FRS3	Discontinued criteria difference meaning that UK likely to show discontinuance later than International	Yes	Yes
	FRS3	Both continuing and discontinued must be analysed on face of P&L	Yes	Yes
	FRS3	Encourages separate disclosure of acquisitions	No	No
IFRS6	SORP	Covers oil and gas, with similar principles of capitalisation and impairment	No	No
IFRS7	FRS29	No examinable differences	No	No
IFRS8	SSAP25	Identification of segments based on risks and returns approach whereas International based on management information and decision making process	No	Yes
	SSAP25	Disclosure for both business and geographical segments unlike International which is based on management decision making process	No	Yes
	SSAP25	Segment information prepared in accordance with accounting policies whereas International based on management information	No	Yes
	SSAP25	Seriously prejudicial exemption available	No	Yes
IFRS9	FRS26	Not yet updated to changes in financial asset classification categories and therefore recognition differences	No	No
IFRS 10	FRS 2	Disposals not resulting in a loss of control, gain or loss to be shown in statement of profit or loss whereas under International this is shown in equity as an owners transaction	No	Yes
	FRS 2	Partial disposals resulting in loss of control, remaining shareholding not required to be valued at fair value	No	Yes
	FRS 2	FRS 2 definition of control aligned with Companies Act, some differences in detail	Yes	Yes
IFRS 10				
IFRS 11	FRS 9	Differences in definitions of joint ventures and joint arrangements	No	No
IFRS 12		Disclosures of interests in other entities do not have a separate standard in UK.	No	No
IFRS 13		No UK equivalent	No	No
IFRS for SMEs	FRSSE	Differences in principle not actual accounting differences examinable between FRSSE and IFRS for SME	No	Yes

Additionally for both F7 and P2 UK papers the following basic Companies Act requirements surrounding when

- single and group entity financial statements are required and when exemptions may be claimed from the preparation.
- a subsidiary may be excluded from the group financial statements are also examinable.