

# CONTENTS

<i>Preface</i>	ix
<i>Acknowledgements</i>	x
<i>About the author</i>	xi
<b>1 Worldwide convergence on IFRS</b>	<b>1</b>
Convergence	3
Large company advantages	5
Why governments support IFRS	7
The use of IAS/IFRS in the world	8
Problems with convergence	10
Modified convergence	13
Small and medium-sized business	13
Conclusion	14
<b>2 Content of financial statements</b>	<b>15</b>
IAS 1 presentation of financial statements	18
Statement of Comprehensive Income	19
Statement of Financial Position	23
Statement of Cash Flows	26
Statement of Changes in Equity	30
Accounting policies and changes	30
Fair presentation	33

Conventions	34
Interim financial statements	34
Conclusion	36
Appendix: The IASB Conceptual Framework	37
Qualitative characteristics	39
Assets and liabilities	41
<b>3 Investments in other companies</b>	<b>45</b>
Consolidation	46
Translation of foreign subsidiaries	48
Business combinations	51
Investments in associates	54
Joint ventures	55
Assets held for disposal	56
Equity investments	57
Conclusion	58
Appendix: Fair value measurement	59
The market	60
Measurement hierarchy	61
Highest and best use	62
Liabilities	63
Conclusion	64
<b>4 Income statement items</b>	<b>65</b>
Revenue recognition	66
Agriculture	70
Government grants	71
Pensions	72
Stock options	75
Inventories	78
Income taxes	79
Interest expense	80
Foreign exchange differences	82
Accounting in hyperinflationary economies	83
Conclusion	84

<b>5 Balance sheet items</b>	<b>85</b>
Property, plant and equipment	86
Investment property	89
Leased assets	90
Intangible assets	92
Mineral rights	94
Impairment	95
Assets held for sale	99
Financial instruments	100
Disclosures about financial instruments	105
Defining equity	106
Liabilities	109
Contingent liabilities	112
Conclusion	113
<b>6 Other significant standards</b>	<b>115</b>
First time adoption	115
Related party transactions	118
Segment reporting	120
Concessions	122
Events after balance sheet date	123
Insurance	124
Conclusion	126
<b>7 The IFRS for SMEs</b>	<b>127</b>
Development of the standard	128
Concerns	131
Conclusion	134
<b>8 Comparison with US GAAP</b>	<b>137</b>
Conceptual Framework	140
Consolidation	142
Financial instruments	143
Offsetting	146
Non-financial assets	147
Impairment	149

Miscellaneous	150
Conclusion	153
<b>9 The IASB's standard-setting process</b>	<b>155</b>
Due process	157
Discussion paper	159
Exposure draft	160
New standard	163
Interpretations	165
Structure	168
Finance	170
Lobbying the IASB	171
Monitoring the IASB	173
Conclusion	174
<b>10 History of the IASB</b>	<b>175</b>
The start-up phase	176
Steady progress	177
The enhancement phase	180
Transition	185
Global convergence	189
Relations with the US	191
Relations with Europe	192
The financial crisis	195
Conclusion	197
<b>11 Observer roles</b>	<b>199</b>
Standard-setters are people	200
What sort of people?	201
What do they think?	205
Fair value controversies	209
Executory contracts	211
True and fair view	213
Anti-abuse measures	213
Conclusions	216
<i>Further reading</i>	217
<i>Index</i>	221