



Share-Based Payment (IFRS 2) Training: Employee Equity Plan Accounting and Valuation



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Introduction:

Share-based payment IFRS 2 training on employee equity plan accounting and valuation is a 5-day course for financial reporting, reward and audit teams, ending with a Share-Based Payment Accounting Policy and Expense Model for a case company. Misclassified awards, unsupported grant-date valuations and missed true-ups for leavers or plan amendments produce restated expense, audit adjustments and disclosure gaps in companies running employee share schemes. Nominees already prepare, review or audit share scheme entries and learn by building expense workbooks from realistic plan rules and grant data. CoreConcept Training Center delivers this share-based payment course.

Course Objectives:

- Classify employee and supplier awards as equity-settled or cash-settled under IFRS 2 and fix grant date and vesting period for each plan
- Estimate grant-date fair value of options and share units with Black-Scholes-Merton, binomial lattice and Monte Carlo models and defend each input
- Separate service, performance, market and non-vesting conditions and reflect each correctly in fair value or in the number of awards expected to vest
- Record cumulative expense, forfeiture true-ups and cash-settled liability remeasurement across graded and cliff vesting schedules
- Account for modifications, cancellations, settlements, replacement awards and group plans funded through employee benefit trusts
- Prepare deferred tax workings, option movement tables and valuation input disclosures that auditors and investors can trace to the ledger

Target Audience:

- Financial reporting staff responsible for share scheme journals, period-end true-ups and annual report notes
 - Technical accounting staff responsible for interpreting plan rules and documenting IFRS 2 judgements
 - Reward and share plan administration staff responsible for grant registers, leaver records and vesting data
 - External and internal audit staff responsible for testing share-based payment expense and valuation evidence
 - Finance staff in companies preparing for listing who must set up share scheme accounting before the first annual report
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Course Outline:

Day 1: Share-Based Payment Scope, Award Types and Plan Classification

- IFRS 2 Scope Tests for Employee and Supplier Awards
- Share Options, Restricted Share Units and Phantom Share Terms
- Grant Date, Service Commencement and Vesting Period Determination
- Equity-Settled Versus Cash-Settled Classification Decision Tree
- Employee Share Scheme Inventory and Plan Rules Review

Day 2: Grant-Date Fair Value Models and Valuation Inputs

- Black-Scholes-Merton Inputs for Employee Share Option Valuation
- Binomial Lattice Models for Early Exercise and Blackout Periods
- Expected Volatility, Dividend Yield and Risk-Free Rate Derivation
- Expected Term Estimation From Employee Exercise Behaviour Data
- Monte Carlo Simulation of Relative Total Shareholder Return Hurdles

Day 3: Vesting Conditions and Expense Recognition Mechanics

- Service, Performance, Market and Non-Vesting Condition Classification
- Graded Vesting Tranche Expense Attribution Schedules
- Forfeiture Estimates and Cumulative Expense True-Up Entries
- Cash-Settled Liability Remeasurement at Each Reporting Date
- Net Settlement Features for Employee Withholding Tax Amounts

Day 4: Modifications, Cancellations, Group Plans and Disclosure

- Award Modification Accounting for Repricing and Extended Terms
- Cancellation, Settlement and Replacement Award Acceleration Entries
- Cash-Settled to Equity-Settled Reclassification on Plan Amendment
- Group Share Plans, Intragroup Recharges and Employee Benefit Trusts
- Deferred Tax on Awards and Option Movement Disclosure Tables

Day 5: Modelling Build: Share-Based Payment Policy and Expense Model

- Case Company Plan Rules and Grant Register Intake
 - Grant-Date Valuation Workbook Using Lattice and Simulation Outputs
 - Multi-Year Expense Model With Leaver and True-Up Scenarios
 - Draft Disclosure Note and Auditor Evidence File Assembly
 - Share-Based Payment Accounting Policy and Expense Model Completion
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Skills You Will Gain:

- Award Settlement Classification
- Option Pricing Input Calibration
- Market Condition Simulation
- Vesting Condition Analysis
- Expense True-Up Calculation
- Modification Accounting
- Group Recharge Accounting
- Share Scheme Disclosure Drafting

Why Attend This Course:

- Deliver a Share-Based Payment Accounting Policy and Expense Model for a case company to the financial controller, the audit committee or the external auditor
- Decide whether a new award, plan amendment or cash alternative changes classification, fair value or the expense already booked
- Avoid restated share scheme expense, late audit adjustments and incomplete option movement notes at year end
- Pass the classification decision tree, valuation input checklist and expense workbook template to reporting and reward colleagues

Conclusion:

Back at work, the participant hands the Share-Based Payment Accounting Policy and Expense Model to the financial controller, the audit committee or the external auditor. They use it to approve new grants, book period-end share scheme expense and agree the valuation inputs and judgements shown in the annual report. After the first reporting cycle, the unit should compare actual leavers, vesting outcomes and auditor queries with the model, then recalibrate volatility, expected term and forfeiture assumptions where evidence differs.

Frequently Asked Questions FAQ:

What should participants know before share-based payment IFRS 2 training?

Participants should already prepare, review or audit financial statements and be comfortable with spreadsheet formulas. No option pricing background is expected. Bringing anonymised plan rules, a grant register or prior auditor queries helps them apply the modelling build to their own share schemes.

How does share-based payment IFRS 2 training differ from an executive pay design or general IFRS course?

It concentrates on accounting and valuation of awards already designed. Executive pay courses decide pay mix, performance measures and committee governance, while general IFRS courses survey many standards briefly and rarely model vesting, modifications or group recharges in depth.

Why do market conditions in share-based payment awards need Monte Carlo simulation?

Market conditions such as relative total shareholder return depend on the path of share prices, so closed-form models cannot value them. Simulation generates many price paths, applies the vesting rule to each and averages the discounted payoff, building the condition into grant-date fair value.

What do participants take back from share-based payment IFRS 2 training?

Participants take back a Share-Based Payment Accounting Policy and Expense Model for a case company, with a classification decision tree, grant-date valuation workbook, multi-year expense schedule, draft disclosure note and auditor evidence file ready to adapt to their own plans.
