

IFRS 16 - LEASES

COURSE OVERVIEW

The new standard in leasing assets is the most impactful change to accounting seen in decades. The distinction between 'what is a finance lease' and 'what is an operating lease' is no longer a concern as the treatment has become standardized. This course will focus on the recently updated IFRS 16 Leases in order to assist business professionals in the interpreting of the new standard and its application. This course will focus on 'real life' case study examples so that you can really relate the core principles to your own work.

TARGET COMPETENCIES

- Leases
- Lessee Accounting
- Lessor Accounting
- Sale and Leaseback Transactions
- Agriculture
- Exploration for and Evaluation of Mineral Resources

COURSE OBJECTIVES

By completely attending this course, participants will be able to:

- Recognize the common features and structure of the financial statements
- Define leases and identifying the essential elements of a lease
- Apply lessee accounting to right of use assets
- Calculate the initial and subsequent measures of both lease liabilities and right of use assets and describe factors that affect each measure
- Distinguish and classify leases as either operating or finance leases through the ownership structure
- Determine and apply the correct accounting treatments on biological assets and mineral resources as pertaining to IAS 41 and IFRS 6

TARGET AUDIENCE

Business, finance and accounting professionals, senior and junior accountants, business analysts, research professionals, marketing and sales, administrative staff, supervisors, general business professionals

COURSE METHODOLOGY

This course demonstrates core principles in business statistics and utilizes Excel in performing modern and creative techniques of financial modeling. Real-life case studies, individual workshops, and team presentations by participants.

COURSE OUTLINE

IFRS 16 LEASES

What is a lease?

Essential elements of a lease

- Right to control
- Identified assets
- Period of time

Lessee accounting

Lease payments

- Fixed payments
- Variable payments
- Purchase option
- Residual value

Lease liability

FINANCE LEASE VS OPERATING LEASE

- Defining a finance lease
- Defining an operating lease
- Leases of land and buildings
- Leases of investment properties
- Subleases

SALE AND LEASEBACK TRANSACTIONS

Structure of a sale and leaseback transaction

IFRS 15 Revenue from contracts with customers

Transfer as a sale

- Structure of the transfer proceeds

Transfer not a sale

- Recognition of the asset
- IFRS 9

SUPERSEDED STANDARDS

Replacement of the following standards and interpretations

- IAS 17 Leases
- IFRIC 4 Determining whether an Arrangement contains a Lease
- SIC-15 Operating Leases – Incentives
- SIC-27 Evaluation the Substance of Transactions Involving the Legal Form of a Lease

LEASES OF BIOLOGICAL ASSETS

IAS 41 Agriculture

Defining a biological asset

Defining agriculture produce

Accounting treatments

- Initial recognition
- Measurement
- Other issues
- Government grants
- Disclosure requirements

LEASES TO EXPLORE FOR NATURAL RESOURCES

IFRS 6 Exploration for and Evaluation of Mineral Resources

Defining mineral resources

Accounting treatments

- Accounting policies
- Impairment
- Presentation and disclosure

To register or for complete course information

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