CORE CONCEPT

Agriculture and Government Grants Accounting Course: IAS 41 Biological Assets and IAS 20

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Introduction:

Agriculture and Government Grants Accounting: IAS 41 Biological Assets and IAS 20 is a 1-week course for reporting, control and audit teams in agri-food, livestock, poultry, dairy and aquaculture businesses, ending with an Agricultural Assets and Grants Accounting Plan for a case organisation. Profit is misstated when herds are valued on stale prices, bearer plants stay in IAS 41, harvested produce enters inventory at the wrong amount and subsidies reach income too early. Nominees already prepare farm accounts and learn through case studies on herd counts, crop data and grant agreements. CoreConcept Training Center delivers this agricultural reporting course.

Course Objectives:

- Classify living animals, plants, harvested produce and processed products under IAS 41, IAS 16 and IAS 2 and set the point of recognition
- Measure livestock, poultry flocks, dairy herds, growing crops and fish stocks at fair value less costs to sell using IFRS 13 inputs
- Account for bearer plants such as date palms and orchard trees under IAS 16 while keeping their produce within IAS 41
- Recognise and present government grants related to assets and to income under IAS 20, including land grants and subsidised loans
- Apply the IAS 41 grant rule, the cost fallback and grant repayment treatment to problem cases
- Prepare IAS 41 and IAS 20 disclosures and an Agricultural Assets and Grants Accounting Plan for a case organisation

Target Audience:

- Financial reporting teams responsible for year-end accounts of agri-food and farming groups
- Finance control teams responsible for herd, flock and crop valuation schedules
- Internal and external audit teams responsible for testing fair value estimates of living assets
- Grant administration and project finance teams responsible for subsidy agreements and loan terms
- Cost accounting teams responsible for transferring harvested produce into inventory records

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Course Outline:

Day 1: Agricultural Activity Scope and Biological Asset Baseline

- IAS 41 Scope Test for Agricultural Activity and Biological Transformation
- Biological Asset, Agricultural Produce and Processed Product Classification Matrix
- Recognition Criteria for Livestock, Flocks, Herds and Growing Crops
- Mature Versus Immature and Consumable Versus Bearer Asset Grouping
- Baseline Register of Animals, Crops and Fish Stocks

Day 2: Fair Value Inputs, Bearer Plants and the Harvest Point

- IFRS 13 Fair Value Hierarchy Applied to Livestock Market Prices
- Costs to Sell Estimation for Auction Commissions and Levies
- Discounted Cash Flow Valuation of Produce Growing on Trees
- IAS 16 Bearer Plant Cost Build for Palms and Orchards
- Point of Harvest Measurement and Deemed Cost Into IAS 2

Day 3: Biological Asset Remeasurement and IAS 20 Grant Accounting

- Fair Value Gain and Loss Journals for Dairy Herds
- Poultry Flock and Aquaculture Biomass Remeasurement Using Count Data
- IAS 20 Reasonable Assurance Test for Grant Conditions
- Asset Grant Presentation as Deferred Income or Deduction
- Income Grant Matching to Feed, Water and Labour Costs

Day 4: Complex Grants, Cost Fallback and Problem Cases

- Below-Market Subsidised Loan Benefit Using IFRS 9 Fair Value
- Non-Monetary Land Grants Measured at Fair Value
- Grant Repayment as Change in Estimate Under IAS 8
- IAS 41 Unconditional and Conditional Grant Rule for Livestock
- IAS 41 Cost Fallback When Fair Value Is Unreliable

Day 5: Case Study Practice and the Agricultural Assets and Grants Accounting Plan

- Agri-Food Group Case Valuation of Herds and Crops
- Government-Backed Farm Project Case Grant Schedule Build
- IAS 41 Reconciliation and IAS 20 Disclosure Note Drafting
- Accounting Policy Choices Review and Audit Evidence File
- Agricultural Assets and Grants Accounting Plan Completion

Skills You Will Gain:

- Biological Asset Classification
- Fair Value Less Costs to Sell Measurement
- Bearer Plant Capitalisation
- Harvest Transfer Accounting
- Grant Condition Assessment
- Subsidised Loan Benefit Calculation
- Agricultural Disclosure Drafting

Why Attend This Course:

- Deliver an Agricultural Assets and Grants Accounting Plan for a case organisation to the finance director and the audit committee
- Decide whether each grant is deferred, deducted from the asset or taken to profit when it becomes receivable
- Avoid audit adjustments caused by stale livestock prices, misplaced bearer plants and early grant income
- Share valuation templates, grant registers and disclosure checklists with farm and project finance colleagues

Conclusion:

Back at work, the participant hands the finance director, the group reporting lead and the audit committee an Agricultural Assets and Grants Accounting Plan setting out asset groups, valuation inputs, bearer plant policies, harvest transfer entries and a grant register. Management uses it to approve year-end fair value gains, the presentation of subsidies and the disclosure notes for agricultural operations. After the first reporting period under the plan, the unit should compare valued herds and crops with actual sale prices, review grant conditions still unmet and refine valuation inputs where auditors raised questions.

Frequently Asked Questions FAQ:

What should participants know before an agriculture and government grants accounting course?

Participants should already prepare or review accounts for farming, livestock or agri-food operations and read IFRS financial statements. Bringing anonymised herd counts, crop data or a grant agreement helps them apply the case studies to their own organisation.

How does agriculture and government grants accounting differ from a general IFRS or inventory course?

It spends one week on living assets and subsidies: IAS 41 fair value, bearer plants, the harvest point and IAS 20 grants. A general IFRS course covers these briefly, and an inventory course starts only after harvest, when produce is already stock.

Why are bearer plants excluded from IAS 41 in agriculture and government grants accounting?

Bearer plants such as fruit trees and palms are used only to grow produce over several periods, much like machinery, so they are accounted for under IAS 16. The produce growing on them stays within IAS 41 at fair value less costs to sell.

What do participants take back from the agriculture and government grants accounting course?

Participants take back an Agricultural Assets and Grants Accounting Plan for a case organisation, with a biological asset register, fair value workings, a bearer plant policy, harvest transfer entries, a grant register and draft disclosure notes.