



IFRS 15 Revenue from Contracts with Customers Training Course: Five-Step Model and Disclosures



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Introduction:

IFRS 15 Revenue from Contracts with Customers, covering the five-step model and disclosures, is a 5-day course for accounting, financial reporting, audit and commercial finance staff, ending with a revenue recognition policy and disclosure note for a case company. Organisations face restatements, audit adjustments and misleading margin reports when performance obligations, variable consideration and the timing of control transfer are judged inconsistently across contracts. Nominees already record, review or price customer contracts at work, and the course is taught through case studies drawn from construction, telecoms, software, real estate and retail. CoreConcept Training Center delivers this IFRS 15 course.

Course Objectives:

- Determine whether a customer contract exists, when contracts must be combined and how each modification is accounted for
- Identify distinct goods or services in a customer contract and record them as separate performance obligations
- Measure the transaction price, including variable consideration and its constraint, financing components, non-cash consideration and amounts payable to customers
- Allocate the transaction price on relative stand-alone selling prices and choose between over-time and point-in-time recognition with a supportable progress measure
- Apply the requirements for principal or agent status, licences, warranties, customer options, bill-and-hold, consignment and repurchase arrangements, and capitalise contract costs
- Prepare contract asset and contract liability balances, disaggregated revenue and the related disclosures in a revenue recognition policy and note

Target Audience:

- Accounting staff responsible for recording sales, deferred revenue and contract balances in the general ledger
 - Financial reporting staff responsible for revenue notes, accounting policies and period-end revenue cut-off
 - Internal and external audit staff responsible for testing revenue judgements, contract reviews and disclosures
 - Commercial finance staff responsible for pricing bids, reviewing contract terms and forecasting revenue timing
 - Revenue assurance staff responsible for reconciling billing systems, rebates and customer incentives to recorded revenue
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Course Outline:

Day 1: Scope, Contract Identification and Modifications

- IFRS 15 Scope Boundaries and Revenue Stream Inventory Template
- Control Transfer Core Principle Applied to Customer Contracts
- Contract Existence Criteria and Collectability Assessment Checklist
- Contract Combination Tests for Package-Negotiated Customer Agreements
- Contract Modification Decision Tree and Cumulative Catch-Up Entries

Day 2: Performance Obligations and Transaction Price Determination

- Distinct Goods or Services Test and Series Guidance
- Performance Obligation Mapping Worksheet for Bundled Customer Promises
- Variable Consideration Estimates by Expected Value or Most Likely Amount
- Constraint on Variable Consideration and Reversal Risk Assessment
- Financing Component, Non-Cash Consideration and Consideration Payable to Customers

Day 3: Price Allocation, Satisfaction of Performance and Contract Costs

- Stand-Alone Selling Price Estimation Methods Including the Residual Approach
- Discount and Variable Amount Allocation to Specific Performance Obligations
- Over-Time Criteria Versus Point-in-Time Control Transfer Indicators
- Output and Input Methods for Measuring Progress Towards Completion
- Incremental Costs of Obtaining and Costs to Fulfil Contracts

Day 4: Principal or Agent, Licences, Warranties and Special Arrangements

- Principal Versus Agent Control Indicators and Gross or Net Presentation
- Licences of Intellectual Property Right to Access or Use
- Assurance-Type and Service-Type Warranty Classification Decision Guide
- Customer Options, Material Rights and Loyalty Points Breakage
- Bill-and-Hold, Consignment and Repurchase Agreement Assessment Checklist

Day 5: Case Study Practice on Sector Contracts and the Revenue Policy

- Construction and Real Estate Case on Over-Time Revenue
 - Telecoms Bundle and Software Licence Price Allocation Case
 - Retail Case on Returns, Loyalty Points and Agency Sales
 - Contract Balances Roll-Forward, Disaggregation and Remaining Performance Obligations
 - Revenue Recognition Policy and Disclosure Note Completion
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Skills You Will Gain:

- Customer Contract Analysis
- Performance Obligation Identification
- Variable Consideration Estimation
- Stand-Alone Selling Price Allocation
- Progress Measurement Selection
- Principal-Agent Judgement
- Contract Cost Capitalisation
- Revenue Disclosure Drafting

Why Attend This Course:

- Deliver a revenue recognition policy and disclosure note, built for a case company, to the financial controller and the audit committee for review
- Decide whether a promise is distinct, whether revenue is recognised over time or at a point in time and whether the entity acts as principal or agent
- Avoid revenue reversals, cut-off errors and audit adjustments caused by unconstrained variable consideration or misjudged contract modifications
- Share the contract review checklist, performance obligation map and price allocation worksheet with sales, legal and billing colleagues who shape contract terms

Conclusion:

Back at work, the participant hands the revenue recognition policy and disclosure note to the financial controller and the audit committee, who use it to approve revenue judgements for the next reporting date and to brief external auditors. Sales and legal teams can test draft contract terms against the same performance obligation map before signing. After the first reporting cycle under the policy, the finance unit should review which contracts required judgement, how variable consideration estimates compared with outcomes and whether disclosures need further disaggregation.

Frequently Asked Questions FAQ:

What should participants know before an IFRS 15 Revenue from Contracts with Customers course?

Participants should already record, review or price customer contracts and understand double-entry accounting. Bringing anonymised examples of their own sales contracts, rebate schemes or bundled offers helps them apply each step of the model to real terms.

How does an IFRS 15 Revenue from Contracts with Customers course differ from a general IFRS course?

It spends all five days on one standard, covering contract modifications, variable consideration, allocation, licences, warranties, customer options and disclosures in depth, whereas a general IFRS course gives revenue a short session alongside many other standards.

Why is variable consideration difficult under IFRS 15 Revenue from Contracts with Customers?

Discounts, rebates, penalties and bonuses make the price uncertain, so the entity estimates it by expected value or most likely amount and then constrains it, including only amounts unlikely to reverse. These estimates must be updated at each reporting date.

What do participants take back from the IFRS 15 Revenue from Contracts with Customers course?

Participants take back a revenue recognition policy and disclosure note built for a case company, with a contract review checklist, performance obligation map, price allocation worksheet and contract balance roll-forward they can adapt to their own organisation.
