CORE CONCEPT

IAS 37 Provisions Training: Contingent Liabilities, Onerous Contracts and IAS 10 Events

16 – 20 November 2026
London - Central London four-star

IAS 37 Provisions Training: Contingent Liabilities, Onerous Contracts and IAS 10 Events

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Introduction:

IAS 37 provisions training on contingent liabilities, onerous contracts and IAS 10 events is a one-week course for financial reporting, group accounting and audit staff that ends with a Provisions and Subsequent-Events Review File. Organisations often book litigation, warranty, restructuring or site restoration provisions on weak evidence, miss onerous supply contracts and misclassify post-year-end events, which leads to audit adjustments and restated notes. Nominees already prepare or review year-end balances, and teaching is by case study on realistic claims, contracts and event logs. CoreConcept Training Center delivers this IAS 37 provisions course.

Course Objectives:

- Determine whether a legal or constructive obligation exists and whether a provision, a contingent liability disclosure or nothing is required
- Measure provisions at the best estimate, apply a pre-tax discount rate and record the unwinding of the discount
- Build provisions for litigation, warranties, restructuring, decommissioning, site restoration and environmental remediation from source evidence
- Test contracts for onerousness using the cost of fulfilling and record the resulting provision
- Classify events after the reporting period as adjusting or non-adjusting under IAS 10 and draft the related disclosures
- Assemble audit evidence and sensitivity analysis that supports management estimates in a Provisions and Subsequent-Events Review File

Target Audience:

- Financial reporting staff responsible for year-end balances, notes and the provisions roll-forward
- Group accounting staff responsible for consolidating subsidiary provisions and post-year-end event reports
- Internal audit staff responsible for testing estimates, claims registers and close controls
- External audit staff responsible for gathering evidence on management estimates and subsequent events
- Technical accounting staff responsible for applying IAS 37 and IAS 10 policies across business units

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Course Outline:

Day 1: Foundations of Provisions and the IAS 37 Recognition Gateway

- IAS 37 Scope Exclusions and Interaction With Other Standards
- Legal Versus Constructive Obligation Evidence From Past Events
- Probable Outflow Assessment Using a Likelihood Scale
- Reliable Estimate Test and the Rare Unmeasurable Case
- Provisions Register Baseline Review for the Current Period

Day 2: Measurement Models, Discounting and Reimbursements

- Best Estimate Using Expected Value and Most Likely Outcome
- Risk Adjustment and Pre-Tax Discount Rate Selection
- Unwinding of Discount and Finance Cost Presentation
- Reimbursement Rights and the Virtually Certain Recovery Test
- Provision Utilisation Roll-Forward Schedule and Estimate Changes

Day 3: Specific Provisions in Day-to-Day Practice

- Litigation and Claims Provisions Using Legal Counsel Assessments
- Warranty Provisions Built From Historical Claim Rate Data
- Restructuring Provisions and the Detailed Formal Plan Announcement
- Decommissioning and Site Restoration Obligations Added to Asset Cost
- Environmental Remediation Provisions and Constructive Obligation Triggers

Day 4: Onerous Contracts, Contingencies, IAS 10 Events and Audit Evidence

- Onerous Contract Test Using Cost of Fulfilling Components
- Contingent Liabilities and Contingent Assets Disclosure Decision Tree
- IAS 10 Adjusting Versus Non-Adjusting Events Classification Matrix
- IAS 10 Authorisation Date and Going Concern Reassessment
- Audit Evidence Testing of Management Estimates and Sensitivities

Day 5: Case Study Practice and the Provisions and Subsequent-Events Review File

- Case Litigation and Warranty Estimates for a Manufacturing Group
- Case Site Restoration Discounting for an Extractive Operation
- Case Onerous Supply Contract Review for a Construction Contractor
- Case Post-Year-End Events Log for a Services Group
- Provisions and Subsequent-Events Review File Completion and Challenge

Skills You Will Gain:

- Obligating Event Analysis
- Expected Value Estimation
- Discount Rate Application
- Onerous Contract Testing
- Contingency Disclosure Drafting
- Subsequent Events Classification
- Estimate Sensitivity Analysis
- Claims Register Reconciliation

Why Attend This Course:

- Deliver a Provisions and Subsequent-Events Review File to the financial controller and the audit committee before year-end fieldwork
- Decide whether each claim, guarantee or loss-making contract needs a provision, a disclosure note or no entry at all
- Avoid late audit adjustments, restated notes and unrecorded losses from onerous contracts or overlooked post-year-end events
- Share a provisions decision tree, roll-forward template and events log with close teams in other business units

Conclusion:

Back at work, the participant hands the Provisions and Subsequent-Events Review File to the financial controller, the group reporting lead and the audit committee. They use it to approve the year-end provisions balance, the contingent liability note and the treatment of each event logged between the reporting date and the authorisation date. After the first close that uses the file, the unit should compare booked provisions with actual settlements, review discount rate choices and update the decision tree where auditors raised questions.

Frequently Asked Questions FAQ:

What should participants know before IAS 37 provisions training on contingent liabilities and onerous contracts?

Participants should already prepare or review year-end balances and notes. Bringing an anonymised claims list, warranty data, a loss-making contract or a post-year-end events log lets the case work and the review file reflect their own organisation.

How does IAS 37 provisions training differ from a broad IFRS course?

It spends one week on one judgement area: provisions, contingencies, onerous contracts and IAS 10 events. A broad IFRS course gives these a single session among revenue, leases, financial instruments and consolidation, so it cannot build full measurement and evidence skills.

When does an onerous contract under IAS 37 require a provision?

A provision is needed when the unavoidable costs of meeting the contract exceed the economic benefits expected from it. The cost of fulfilling includes incremental costs and an allocation of other costs that relate directly to fulfilling contracts.

What do participants take back from IAS 37 provisions and IAS 10 events training?

Participants take back a Provisions and Subsequent-Events Review File: a provisions register with measurement workings, a contingency disclosure decision tree, an IAS 10 events log and an evidence pack supporting each management estimate.