CORE CONCEPT

Service Concession Accounting Course: IFRIC 12 and IPSAS 32 for PPP Contracts

28 June – 2 July 2027
Dubai - Five-star CBD venue

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Ref: 1975_29263 **Date:** 28 June – 2 July 2027 **Location:** Dubai - Five-star CBD venue **Fees:** 19500 SAR

Introduction:

Service concession accounting under IFRIC 12 and IPSAS 32 for PPP contracts is a 1-week course for financial reporting, technical accounting and audit staff at concession operators, project companies and public grantor bodies, ending with a Concession Accounting Policy and Journal Entry Pack for a case organisation. Concession contracts are often booked as ordinary fixed assets or leases, which misstates revenue, provisions and the grantor's liabilities. Nominees already prepare or review IFRS or IPSAS financial statements, and the course is taught through case studies on concession contracts and ledgers. CoreConcept Training Center delivers this service concession accounting course.

Course Objectives:

- Determine whether a concession contract falls within IFRIC 12 or IPSAS 32 by applying the control and residual interest tests
- Select and measure the financial asset, intangible asset or bifurcated model from the payment mechanism written into the contract
- Recognise construction revenue, maintenance and resurfacing provisions and capitalised borrowing costs across the concession life
- Account for the service concession asset and the related liability on the grantor side under IPSAS 32
- Assess impairment, contract modifications and operator payments to the grantor in demand-risk and availability-based contracts
- Prepare concession accounting policies, journal entries and disclosure notes ready for audit review

Target Audience:

- Financial reporting staff responsible for concession operator and project company financial statements
- Technical accounting staff responsible for policy positions on infrastructure and utility contracts
- Public sector accounting staff responsible for grantor asset and liability reporting
- Audit staff responsible for reviewing concession balances, provisions and disclosure notes
- Infrastructure fund finance staff responsible for portfolio company reporting

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Course Outline:

Day 1: Concession Contracts and Scope Under IFRIC 12

- Concession Contract Types BOT, DBFO and Availability Payment Structures
- IFRIC 12 Control Tests Over Services, Pricing and Residual Interest
- Scope Exclusions Including Whole-of-Life Assets and IFRS 16 Leases
- Grantor and Operator Roles Mapped Through a Contract Abstract
- Current-State Review of Existing Concession Ledger Balances

Day 2: Financial Asset, Intangible Asset and Bifurcated Recognition Models

- Financial Asset Model and the Unconditional Right to Cash
- Intangible Asset Model for Rights to Charge Users
- Bifurcated Model Split for Grantor-Backed Minimum Toll Revenue
- IFRS 9 Amortised Cost Measurement of Concession Receivables
- IAS 38 Amortisation Patterns for Concession Intangible Rights

Day 3: Construction Revenue, Maintenance Provisions and Borrowing Costs

- IFRS 15 Construction and Upgrade Revenue With Margin Allocation
- Separating Construction, Operation and Maintenance Performance Obligations
- IAS 37 Major Maintenance and Resurfacing Provision Schedules
- IAS 23 Borrowing Cost Capitalisation in the Intangible Model
- Journal Entry Templates for Build, Operate and Handback Phases

Day 4: Grantor Accounting, Impairment and Problem Cases

- IPSAS 32 Grantor Recognition of the Service Concession Asset
- IPSAS 32 Financial Liability Model Versus Grant of Right Model
- Operator Payments to Grantor and Upfront Concession Fee Treatment
- IAS 36 Impairment Triggers for Demand-Risk Concession Intangibles
- SIC-29 Disclosures and Contract Modification Accounting Effects

Day 5: Case Study Work and the Concession Accounting Policy Pack

- Toll Road Case Study With Bifurcated Asset Measurement
- Desalination Water Concession Case With Availability Payment Receivable
- Hospital PPP Case Study From the Grantor Perspective
- Peer Review of Case Journal Entries and Disclosure Notes
- Concession Accounting Policy and Journal Entry Pack Completion

Skills You Will Gain:

- Concession Scope Assessment
- Recognition Model Selection
- Concession Receivable Measurement
- Construction Margin Allocation
- Resurfacing Provision Scheduling
- Borrowing Cost Capitalisation
- Grantor Liability Measurement
- Concession Disclosure Drafting

Why Attend This Course:

- Present a Concession Accounting Policy and Journal Entry Pack to the financial controller and the audit committee for approval
- Decide which recognition model applies to a new or amended concession contract from its payment terms rather than precedent
- Avoid restatements caused by booking concession infrastructure as property, plant and equipment or omitting resurfacing provisions
- Equip finance colleagues with the contract abstract, journal templates and disclosure checklist used in the case studies

Conclusion:

Back at work, the participant presents the Concession Accounting Policy and Journal Entry Pack to the financial controller, the external auditor and, for public bodies, the grantor's reporting unit. It is used to confirm the recognition model for each concession, the construction margin, the resurfacing provision and the borrowing costs to capitalise, and the wording of the disclosure note. After the first reporting cycle under the pack, the unit should review audit findings, provision movements and receivable balances against the contract cash flows and update the policy where gaps appear.

Frequently Asked Questions FAQ:

What should participants know before a service concession accounting course on IFRIC 12 and IPSAS 32?

Participants should already prepare or review financial statements under IFRS or IPSAS and be familiar with revenue, provisions and financial instruments. Bringing an anonymised concession contract summary or ledger extract helps the case studies reflect real conditions.

How does service concession accounting differ from a course on PPP structuring or project finance?

It concentrates on recognition and measurement in the financial statements of the operator and the grantor. PPP structuring courses address project selection, risk allocation and governance, and project finance courses build debt and cash flow models rather than ledger entries and disclosure notes.

Why does service concession accounting under IFRIC 12 not record the road or plant as property, plant and equipment?

The grantor controls the services, pricing and residual interest, so the operator does not control the infrastructure. The operator instead recognises a financial asset, an intangible right to charge users, or both, depending on who bears demand risk.

What do participants take back from the service concession accounting course?

Participants take back a Concession Accounting Policy and Journal Entry Pack for a case organisation, with a contract abstract, model selection memo, construction and provision schedules, journal entry templates and a disclosure note checklist.