

Course 1650 IFRS for the Manufacturing Sector (2 days)

Course Summary

This two-day course examines international financial reporting issues in detail and their effect on manufacturing companies. The program includes case studies and financial statements that illustrate the real-world application of financial reporting requirements. Topics include: Presentation issues | Consolidation requirements | Treatment of variable interest and special purpose entities | Changes in accounting principle | Discontinued operations | Segment reporting | Long-lived assets | Asset retirement obligations | Held for sale assets | Capital and operating leases | Accounting for research and development | Other intangible assets | Indefinite-life intangible assets | Impairment indicators | Accounting for impairment | Inventory | Cost components (including interest capitalization) | Valuation methods | Recoverable material | Logistics charges | Consumable production items | Tooling amortization | Customer supplied inventory | Duties and license fees | Supplier rebates | Supplier price adjustments | Non-standard production activities | Indicators of impairment | Measuring and recognizing impairment | Financial assets & liabilities | Categories of financial assets and accounting methodology by type | Derivatives | Hedge accounting | Treatment of equity method investments | Debt vs. equity identification and reporting | Provisions and contingencies | Allowance for bad debts | Warranties | Indemnification | Litigation and claims | Restructuring charges | Other provisions and contingencies | Revenue recognition issues | Allowances and discounts | Price protection | Right of return | Repurchase options | Marketing incentives | Shipping charges | Other current revenue issues | Employee compensation | Short-term compensation | Pension measurement, recognition and reporting | Other post-retirement benefits | Share-based payment | Acquisitions | Review of accounting for acquisitions | Overview of the new business combinations standard and impending changes | Recent and upcoming issues | Recently issued standards, interpretations and their impact on manufacturing companies | Proposed IFRS changes that will affect the manufacturing sector | IFRS-US GAAP convergence update | IASB projects and plans of interest to manufacturers.

Introduction

This two-day course focuses on the specific accounting and reporting requirements for manufacturing industries. Our expert instructors discuss the critical issues that go beyond mere number-crunching and explain, clearly and simply, the way that manufacturing companies conduct and shape their accounting and reporting practices.

By reference to accepted accounting practices in the sector, delegates will leave this course with practical knowledge of the principle-based IFRSs that are applicable to the manufacturing sector.

Participants will, for example, learn how to relate the IFRS standard on inventory to recoverable material, logistics charges and customer-supplied inventory and will understand how to deal with asset retirement obligations and held-for-sale assets. Our instructors also fully explain how to apply the revenue recognition principles to price protection clauses and repurchase options, and the accounting requirements for provisions and contingencies related to warranties, indemnification, litigation, restructuring charges, and other claims that are unique to manufacturing operations.

In addition, comparisons with US GAAP are integrated throughout the course materials so that delegates are well informed on international best practices and develop an awareness of issues that may arise during the convergence of IFRS and US GAAP requirements.

Case studies and financial statements are used throughout the program to promote discussion and illustrate the real-world application of financial standards to firms in the manufacturing sector.

This valuable course answers questions such as:

- o How are recognition and measurement rules applied to long-lived and intangible assets, leases, inventory, financial assets and liabilities, provisions and contingencies, and employee compensation?
- o What are the financial statement presentation, consolidation, and disclosure requirements of critical importance to manufacturers?
- o When will the new business combinations standard become effective and how will it change current practices?
- o What are the accounting requirements for inventory recognition, measurement, reporting, and disclosures?
- o How are IAS 18 and US GAAP applied to complex revenue recognition situations?
- o What are the significant upcoming accounting issues that will affect manufacturing firms?

Prerequisites

Intermediate understanding of accounting principles based on any national standards.
No advance preparation is required for this course.

Course Level

Overview

Topics

- o Presentation Issues
 - o Consolidation requirements
 - o Treatment of variable interest and special purpose entities
 - o Changes in accounting principle
 - o Discontinued operations
 - o Segment reporting
- o Long-lived Assets
 - o Review of IAS 16 Property, Plant and Equipment
 - o Accounting for property, plant and equipment
 - o Asset retirement obligations
 - o Held for sale assets
 - o Review of IAS 17 Leases
 - o Capital and operating leases
 - o Review of IAS 38 Intangible Assets
 - o Accounting for research and development
 - o Other intangible assets
 - o Examples of indefinite-life intangible assets
 - o Impairment indicators
 - o Accounting for impairment
- o Inventory
 - o Review of IAS 2 Inventory

- o Cost components (including newly revised IAS 23 Borrowing Costs)
- o Valuation methods
- o Recoverable material (e.g. regrind, tablet powder, cut-off (drop), etc.)
- o Logistics charges (e.g. freight, re-usable and non-re-usable pallets)
- o Consumable production items (e.g. filters, perishable tooling)
- o Tooling amortization
- o Customer supplied inventory
- o Duties and license fees
- o Supplier rebates
- o Supplier price adjustments
- o Charge backs to Marketing for inefficiencies associated with the production of promotional products
- o Non-standard production activities (product rework, repairs, tear downs and salvage, R&D pilot runs)
- o Indicators of impairment
- o Measuring and recognizing impairment
- o Financial Assets and Liabilities
 - o Categories of financial assets and accounting methodology by type
 - o Derivatives
 - o Hedge accounting
 - o Treatment of equity method investments
 - o Debt vs. equity identification and reporting
- o Provisions and Contingencies
 - o Allowance for bad debts
 - o Warranties
 - o Indemnification
 - o Litigation and claims
 - o Restructuring charges
 - o Other provisions and contingencies
- o Revenue Recognition Issues
 - o Review of IAS 18 Revenue
 - o Allowances and discounts
 - o Price protection
 - o Right of return
 - o Repurchase options
 - o Marketing incentives
 - o Shipping charges
 - o Other current revenue issues
- o Employee Compensation
 - o Short-term compensation (including compensated absences, bonuses, termination payments)
 - o Pension measurement, recognition and reporting
 - o Other post-retirement benefits (e.g. health care)
 - o Share-based payment
- o Acquisitions
 - o Review of accounting for acquisitions
 - o Overview of the new business combinations standard and impending changes
- o Recent and Upcoming Issues
 - o Recently issued standards, interpretations and their impact on manufacturing companies
 - o Proposed IFRS changes that will affect the manufacturing sector

- o IFRS-US GAAP convergence update
- o IASB projects and plans of interest to manufacturers

Course Benefits

- o Learn practical answers to typical manufacturing sector questions on financial statement presentation, consolidation, long-lived and intangible assets, leases, inventory, financial assets and liabilities, provisions and contingencies, and employee compensation
- o Become familiar with significant recent and upcoming changes relating to the recognition, measurement and reporting of acquisitions
- o Learn how to accurately cost and account for inventory cost components
- o Attain the know-how to account for processes most efficiently
- o Apply IFRS and US GAAP to industry-specific revenue recognition situations
- o Increase awareness of impending issues that will affect manufacturing companies

Teaching Method

- o Live group instruction with interactive participation encouraged
- o Identification of the critical issues affecting the financial reporting of manufacturing companies
- o Succinct examples and cases that illustrate classification and accounting for typical transactions in the manufacturing sector
- o Presentation and discussion of financial statements and disclosures
- o All participants receive a comprehensive binder containing copies of the presentation slides, handouts and other course materials

Continuing Professional Education (CPE)

16 hours

Venue

All of our Riyadh seminars take place in 4 star professional conference facilities, usually in city-centre downtown hotels like the Marriott, Sheraton or Hilton brands.

Detailed Joining Instructions are sent to all registered delegates by email approximately one month before the event. The Joining Instructions will confirm exact venue details and nearby (or onsite) hotel recommendations with bedroom rates where available.

Coffee and lunch will be provided.

Related courses

- [o 1260: IFRS Liability Recognition & Measurement \(2 days\)](#)
- [o 1280: IFRS Accounting for Pensions, Other Employment Costs & Share-Based Payments \(2 days\)](#)
- [o 1290: IFRS Asset Measurement & Impairment \(2 days\)](#)
- [o 1311: IFRS and US GAAP Revenue Recognition \(2 days\)](#)

Booking Information

Duration (days): 2

Location: Riyadh

Available dates

Instructor(s)

For more information, please visit <http://www.iaseminars.com/en/event/?Code=1650&VenueID=51>