

Income and expenses in IFRS



Table of Contents

Training objectives	3
Training audience.....	3
Trainees acquired skills and abilities.....	3
Contents of Training	4
1. <i>Come together</i>	4
1. <i>Incomes in the system of International Financial Reporting Standards</i>	4
2. <i>Expenses in the system of International Financial Reporting Standards</i>	4
3. <i>Recognition and accounting of various types of incomes and expenses</i>	4
4. <i>Statement of Total Income: structure and basis of preparation</i>	5
5. <i>Conclusion</i>	5

Training objectives

- Getting deep knowledge on the issues of recognition, accounting and measurement of various types of incomes and expenses in the system of International Financial Reporting Standards (IFRS).
- Obtaining practical skills of incomes and expenses classification and accounting in the financial statements according to their economic essence, as well as getting hand in the Statement of Total Income preparation in various formats.

Training audience

The training has been developed for and focused on:

- accountants, specialists of financial departments, auditors, and financial analysts, who have initial knowledge in the studied field and wish to deepen this knowledge;
- specialists of financial departments who deal with the necessity to prepare and analyze the financial statements, but who do not have enough experience to classify incomes and expenses in the right way;
- practicing accountants who wish to systemize their knowledge and to get additional practice in this field; and
- all those who seek to study IFRS.

Trainees acquired skills and abilities

Trainees:

- will get deep knowledge of the main basic international standards related to the issues of recognition, accounting and measurement of various types of incomes and expenses;
- will study to classify the various types of incomes and expenses according to their economic essence;
- will get practical skills in preparation of the Total Income Statement in various formats;
- will study out how to apply the acquired knowledge and skills to different situations in their practical activity.

Contents of Training

1. Come together

- Introduction of participants to one another, getting acquainted with the instructor, review of training topics and methods of working;
- Discussion of expectations

1. Incomes in the system of International Financial Reporting Standards

- Types of income: basic concepts and definitions
- Policy of income accounting and recognition
- Incomes from core activities (operating income)
- Revenue
 - Revenues measurement
 - Special criteria of recognition
 - Revenue split by components
 - Combination of two and more transactions at recognition (non-recognition) of revenue
 - Different types of revenue and their recognition
 - Customer loyalty programs
- Other income
 - Appropriateness of other income disclosure
- Operating income
- Inordinary income
- Financial income
- Concepts of realised and unrealised income

2. Expenses in the system of International Financial Reporting Standards

- Classification of expenses: basic concepts and definitions
- Capital expense (expenditure)
- Expenses from core activities (operating expenses)
- Other operating expenses
- Inordinary expenses; losses
 - Appropriateness of other expenses and losses disclosure
- Financial expenses
- Borrowing costs
 - Borrowing costs structure
 - Basic approach to borrowing costs recognition
 - Cost capitalization by borrowings; basic requirements

3. Recognition and accounting of various types of incomes and expenses

- Sales (realization) of products and goods
 - Various sales options
 - Special situations: return of goods; issued guarantees; after-sales service
 - Principal's incomes and expenses
 - Agent's incomes and expenses
- Performance of services

- Accounting of long-term contracts by percentage of their completion;
- Accounting of revenues and expenses under the contract against its profitability;
- Losses under the contract; immediate accounting;
- Other incomes and expenses
 - Use of other incomes and expenses netting scheme
 - Inordinary items
 - Exchange differences
- Financial incomes and expenses

4. Statement of Total Income: structure and basis of preparation

- Latest amendments to IFRS (IAS) 1: *Presentation of Financial Statements*
- Different formats of the Total Income Statement
- Accounting of different income and expense types in the Statement

5. Conclusion

- Results of Training