# IFRS 15 Revenue Recognition Course: Variable Consideration, Licences and Disclosure

7 – 11 March 2027
Sharm El-Sheikh

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**Ref:** 784_37124 **Date:** 7 – 11 March 2027 **Location:** Sharm El-Sheikh **Fees:** 4000 GBP

## Programme Summary

IFRS 15 revenue recognition is the subject of this one-week training course for finance directors, financial controllers and group reporting heads, ending in a revenue judgement file for one contract portfolio. Contracts with variable pricing, bundled licences and long delivery periods strain the five-step model, and weak judgements surface late. The programme moves from the standard and contract scope to diagnosis of pricing and licence judgements, then to policy design and disclosure, then to a file a committee can adopt. Mars Training Centre UK delivers this programme on IFRS 15 revenue recognition to mixed-organisation cohorts.

## The Business Case

Revenue is the first line of the income statement and the base for bonuses, covenants and tax planning, so an error spreads quickly. Contracts that mix products, services and licences, or carry rebates and penalties, force judgement on timing and amount. Finance leaders who test those judgements against contract evidence can reduce late adjustments and give auditors a clearer account of contract accounting.

- Revenue Timing Accuracy: Improves as obligations are separated and satisfaction patterns are tested against delivery evidence.
- Close Cycle Rework: Falls as variable consideration estimates are documented before period end.
- Disclosure Quality: Rises as contract balances and judgements are explained so a reviewer can trace them.

## Principles and Evidence Base

- IFRS 15 Revenue from Contracts with Customers: Supplies the five-step model, applied in Sessions 1 to 4 to contract scope, performance obligations, price and timing.
- IAS 1 Presentation of Financial Statements: Sets presentation expectations, applied in Session 4 to the disclosure of judgements and contract balances.
- Time Value of Money: Explains why long payment terms can carry a financing element, applied in Session 3 to the transaction price.

## Intended Participants

- Finance directors who sign off revenue policies and the judgements behind them.
- Financial controllers who run the close and review contract accounting.
- Group reporting heads who consolidate revenue across entities.
- Technical accounting leads who prepare position papers.

Typical settings include software, telecommunications, construction and manufacturing.

## Learning Outcomes

1. Participants will be able to evaluate whether an arrangement falls within the standard and how a contract modification is treated.
2. Participants will be able to diagnose distinct performance obligations in bundled arrangements.
3. Participants will be able to construct estimates of variable consideration with the constraint applied.
4. Participants will be able to prioritise allocation methods for standalone selling prices across bundled items.
5. Participants will be able to justify timing conclusions between over time and point in time, including licences.
6. Participants will be able to design a policy and disclosure note that a reporting committee and auditors can follow.

## Programme Structure

### Day 1: IFRS 15 Revenue Recognition and Contract Scope

Which arrangements fall within the standard, and how are contracts combined or modified?

- Five-Step Model Map
- Contract Existence Test
- Contract Combination Rules
- Contract Modification Decision Tree
- Contract Portfolio Inventory

### Day 2: Diagnosing Performance Obligations and Principal Roles

Where do bundled promises separate, and who controls the goods or services?

- Distinct Promise Test
- Bundle Separation Grid
- Principal Versus Agent Control Indicators
- Warranty and Option Review
- Customer Contract Evidence Log

### Day 3: Variable Consideration, Pricing and Allocation

How is the transaction price estimated, constrained and allocated?

- Variable Consideration Estimation Methods
- Constraint Assessment Sheet
- Significant Financing Component Check
- Standalone Selling Price Estimation
- Discount and Rebate Allocation Table

## Day 4: Timing, Licences, Contract Costs and Disclosure

When is revenue recognised, and how are balances and judgements disclosed?

- Over Time Versus Point in Time Criteria
- Licence Right to Access or Right to Use Test
- Contract Asset and Liability Roll-Forward
- Contract Cost Capitalisation Test
- Disclosure Checklist Under IAS 1

## Day 5: Revenue Judgement File for One Contract Portfolio

Do the earlier tools combine into one file that a reporting committee can adopt?

- Applying the Session 1 Contract Portfolio Inventory
- Testing the Session 2 Bundle Separation Grid
- Checking the Session 3 Constraint Assessment Sheet
- Rehearsing the Session 4 Disclosure Checklist
- Completing the Revenue Judgement File

## Methodology

The programme uses case analysis built on prepared contracts from a software supplier, an engineering contractor and a telecommunications operator, each with pricing schedules, delivery records and draft journal entries. Participants work in small groups, defend judgements in writing, and answer challenge from peers acting as an audit committee and external reviewers.

- Suggested activity: Splitting a bundled contract into obligations and defending each separation.
- Suggested activity: Estimating variable consideration under two methods and comparing the constrained amounts.
- Suggested activity: Reviewing a draft note and marking each judgement that a reader could not trace.

## Capstone Output

Each participant completes a revenue judgement file for one contract portfolio. It holds a scope and modification summary, a performance obligation grid, a variable consideration estimate with its constraint, an allocation table and a draft disclosure note. The file is used at work to brief a reporting committee, agree positions with auditors and set the policy for similar contracts.

## Frequently Asked Questions

### Is a course on IFRS 15 revenue recognition suitable for finance leaders?

Yes. IFRS 15 revenue recognition is taught through prepared contracts and templates. It assumes managerial experience of financial reporting or the period-end close, but no background in standard setting.

### Which standards does IFRS 15 revenue recognition rest on?

IFRS 15 revenue recognition rests on IFRS 15 Revenue from Contracts with Customers, IAS 1 for presentation and the time value of money for financing elements in the price.

### How is the file from IFRS 15 revenue recognition used at work?

You use the revenue judgement file to brief a reporting committee, agree positions with auditors and set the policy for similar contracts.

### How does IFRS 15 revenue recognition differ from a general financial reporting course?

IFRS 15 revenue recognition concentrates on contract-level judgements on obligations, price and timing, while a general financial reporting course covers the full set of statements and standards.