



# IFRS 16 MASTERCLASS

Venue: Sandton | Online

## WHO IT'S FOR

- Finance Directors
- Head of Finance
- Chief Finance Officers
- Accounts Managers
- Accountants
- Internal Auditors

Organisations consider this course as a great opportunity to train their young officers in the complexities of accounting in the industry.

## DELIVERY

Your choice of attending  
**ONLINE** or **ON-CAMPUS**

**25 and 26 May 2023**

**Don't Miss Out!**

## MINIMUM NUMBER OF DELEGATES

Four (4) Delegates

## DURATION

2 Days  
(Consecutive days, 8 hours each)

## COST

**R6,999** Online  
**R8,999** On-Campus  
(incl Breakfast and lunch)

## CONTACT US

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# Executive Summary

The IFRS 16 Master Class provides training on the changes for accounting of leases as per the previous IAS 17 standard and scope and principles of the standard, and the application of this standard.

Identification of whether an arrangement contains a lease, has been incorporated into the standard as a result delegates will learn how to identify whether an arrangement is within the scope of the standard and the key principles of lease accounting. The course will further go deeper into the key principles of lease accounting and learn about areas of potential judgment in applying IFRS 16 Leases.

The new standard will have an impact on all organisations, greater impact will be those with major assets under operating leases (thus the off-balance financing). In essence the IFRS 16 deals with the issue of off-balance financing. This course is designed to bring delegates up to date with this standard for lease accounting and will expand on the changes between the new IFRS standard and the old IAS 17.

It is important to note that the standard compulsory adoption was on 1 January 2019 and as a result the old IAS 17 will no-longer apply.

For existing finance leases, the standard will also bring changes, and increase the accounting complexity. Owing to the number of assumptions and estimates required by IFRS 16 Leases, ongoing annual maintenance of the accounting numbers will be significantly increased, especially for entities that have lease extension/termination options or variable lease payments.

How will companies identify all their leases and gather the data required to calculate the necessary adjustments on transition? Will the standard change decisions to buy rather than lease? What informs the decisions to apply the optional exemptions as given by IFRS 16?. These questions will be addressed as part of a detailed analysis of the requirements, using case studies that will then enhance understanding.

## Learning Objectives

As a result of completing this course, all participants will improve their knowledge, understanding and analytical skills of IFRS 16 in particular and full IFRS in general, with the following benefits:

1. Explain the fundamental requirements of IFRS 16 including key changes from IAS 17.
2. Understanding the IFRS standard, and how it will impact the financial statements.
3. Understand the new business perspective and the main changes brought by the new Standard IFRS 16.
4. Identify the common challenges and pitfalls when applying the requirements of IFRS 16
5. Explore the frequently asked questions raised by companies and auditors.
6. Explain key disclosure requirements.
7. Use relevant case studies and scenarios to understand how the requirements should be applied and how it is likely to affect you.
8. Identify commercial arrangements in interpreting criteria such 'definition of a lease', 'identified asset' and 'lease term' and the impact on accounting outcomes.
9. Identify the risks in a lease portfolio, areas of potential cost savings and lease portfolio optimisation.





# Course Outline

## DAY 1

### Conceptualization and Introduction to Lease Accounting in IFRS 16

- Objective and Scope of IFRS 16
- Objective and scope of IFRS 16
- The latest on world adoption of IFRS
- Recognition exemptions

### What is a lease?

- Determining whether an arrangement contains a lease
- Identifying and separating lease and non-lease components of a contract and allocating contract consideration
- Contract combinations

### Key Concepts

- Inception of a contract
- Commencement date of the lease
- Lessee involvement with the underlying asset before the commencement date
- Lease term and purchase option
- Lease payments
- Discount rates
- Initial direct costs
- Economic life
- Fair value

### Lessee Accounting

- Initial recognition
- Initial measurement
- Subsequent measurement
- Remeasurement of lease liabilities
- Lease modifications
- Other lessee matters

## DAY 2

### Presentation

- Disclosure
- Lessor accounting
- Lease classification
- Key concepts applied by lessor
- Finance leases
- Operating leasing's per Share
- Lease modifications

### Other lessor matters

### Presentation

### Disclosure

### Advance Application of IFRS in an Institution

- Intermediate and Advanced lessor accounting
- Sub-lessee accounting
- Presentation
- Disclosure Sale and leaseback transactions
- Determining whether the transfer of an asset is a sale
- Transactions in which the transfer of an asset is a sale
- Transactions in which the transfer of an asset is not a sale

### Disclosure

- Business combinations
- Acquiree in a business combination is a lessee
- Acquiree in a business combination is a lessor

### Effective date and transition

- Effective date
- Transition
- Lessee transition
- Lessors
- Other considerations
- Disclosure

### Learning Method

- Group live instruction, cases, examples, group work, open discussions
- Description and explanation of changes in IFRSs, including implementation requirements and transitional rules
- Use of illustrative IFRS financial statements and worked examples

Interactive participation is encouraged!

All participants will receive comprehensive copies of the presentation slides, handouts and other course materials.





# Facilitator

## **Advent Marange CA(SA) RA, P.D. Corporate Law**

Advent is a highly sought-after consultant, trainer and speaker with more than 7 years financial services experience gained in South Africa and at least five countries in Southern Africa. He is a Chartered Accountant (South Africa), Advent holds a bachelor's in commerce in Finance (Cum Laude), Post Graduate Diploma in Corporate law (Cum laude) and has received numerous awards for academic excellence. He qualified as a Chartered Accountant in 2016 and has worked as a Senior Manager at Nkonki.

He worked with various small business corporations and large private and state-owned entities in South Africa, Zambia and Namibia which enabled him to gain great experience in accounting, Taxation, finance and investments.



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