

REVENUE RECOGNITION

1. IFRS 15 – overview of the new revenue standard
 - Understanding of the 5 step model of recognising revenue
 - Identify the contract(s) with the customer
 - » Contract combinations
 - » Contract modifications
 - Identify the performance obligations in the contract
 - Determine the transaction price
 - » Guidance on variable consideration
 - » Existence of significant financing component
 - » Consideration payable to customer
 - Allocate the transaction price to the performance obligations
 - Recognise revenue when (or as) each performance obligation is satisfied
2. Impact on shipping
 - Charter income
 - Voyage income
 - Liquidated damages
 - Demurrage income
 - Principal or agent issues
 - Identifying service components in a revenue contract
 - Slot exchange arrangements
 - Onerous contracts

LEASING

1. Identifying lease contracts
2. Assessment of operating versus finance lease
3. Accounting for finance leases
4. Accounting for operating leases
5. Impact of renewal/extension options
6. Impact of contingent charter payments
7. Impact of residual value guarantees
8. Accounting for changes in estimates/ circumstances/agreement after lease inception
9. Accounting for sale and leaseback transactions
10. New leasing standard – what's changing from 2019
 - New definition of lease
 - Lessee's accounting
 - Lessor's accounting
 - Sale and leaseback transactions

CONSOLIDATION AND JOINT ARRANGEMENT

1. Understanding and applying IFRS 10 Consolidated
 - Concept of de facto control, voting and other rights
2. Joint arrangements under IFRS 11 Joint Arrangements
 - Joint operations – parties involved with joint control have rights to the assets and obligations for the liabilities
 - Joint ventures – parties involved with joint control have rights to the overall assets of the arrangement
3. Shipping pools
 - Full control over the pool – pool consolidation
 - Joint operator of the pool – the company's share of revenue, costs, assets and liabilities is recognised
4. Ship Chartering special purpose vehicles
5. Accounting for joint arrangements

FINANCIAL INSTRUMENTS

- FRS 109 – overview of the new financial instruments standard
- Classification and measurement: financial asset and financial liabilities
 - » Amortised cost
 - » Fair value through profit or loss
 - » Fair value through OCI
 - Accounting for derivatives
 - Expected credit loss model
2. Commodity purchase and supply contracts
 3. Shipbuilding option agreements
 4. Embedded derivatives
 5. Hedge accounting in shipping
 - Fair value hedge
 - Cash flow hedge
 6. Accounting for debt modifications
 7. Overview of FRS 32 – Financial instruments: Presentation
 - Debt vs equity considerations
 - Compound financial instruments

PROPERTY, PLANT & EQUIPMENT

1. Assessment of costs that can be capitalised
2. Pre-delivery instalments
3. Borrowing costs
 - Timing of capitalisation
 - Eligible borrowing costs
 - General borrowing costs
4. Vessel government grant accounting
5. Repairs and maintenance
 - Dry-docking
6. Cost allocation and componentization when a vessel is purchased
7. Depreciation
 - Useful life
 - Residual value
 - Depreciation method

IMPAIRMENT

1. Determination of CGUs
2. Assessment of impairment indicators
 - Global economic downturn and market slump
 - Slowing demand for shipping services
 - Depressed charter rates
 - Low new build prices or ship resale prices
 - Ships and vessels lay up
 - Abnormally high scrapping fees
 - Significant physical damage to the vessel
 - Operating losses
3. Determination of FVLCTS
4. Determination of VIU
 - Differences between fair value and value in use
- » Reversal of past impairments
- » Part-completed new builds
- » Disclosure under IAS 36

TAXATION

Tonnage tax classification