Revenue streams of Franchise Agreements:

1. Initial Franchise Fee

Downpayment	xx
Value of note	xx
a. Interest Bearing = Face Value	
b. Non-Interest Bearing = Present Value	
Initial Franchise Fee	xx
Direct Cost	(xx)
Gross Profit – IFF	xx

2. Continuing Franchise Fee = % of sales

3. Interest
    - a. Interest Bearing = Face amount X Nominal Rate
    - b. Non-Interest Bearing = Carrying value X Effective Rate

IFRS 15:

Step 1: Identify Contract
Step 2: Identify Performance Obligations
Step 3: Determine Transaction Price
Step 4: Allocate Transaction Price to Performance Obligations
(Relative to the Stand-Alone Selling Prices)
Step 5: Recognize Revenue
- a. Overtime
- b. Point in Time