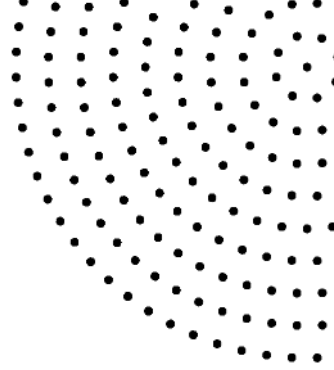


IFRS for SMEs Update 2022

APRIL 2022

PRESENTED **BY**

Marléne van der Mescht



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ABOUT THE PRESENTER

Marléne van der Mescht
CA(SA)



Marléne is a Senior Manager at Altimax. Her areas of specialism include IFRS, IFRS for SMEs, IPSAS and GRAP. She is responsible for technical opinions, accounting framework conversions and the implementation of new accounting standards to a wide portfolio of clients. For the past almost decade Marlène was responsible for technical training initiatives in her areas of specialism for several Provincial Treasuries, the Auditor General, public entities and municipalities across South Africa. Marlène is also the lead presenter for the South African Institute of Chartered Accountants (SAICA) highly successful IFRS for SMEs seminars.



CPD CERTIFICATE



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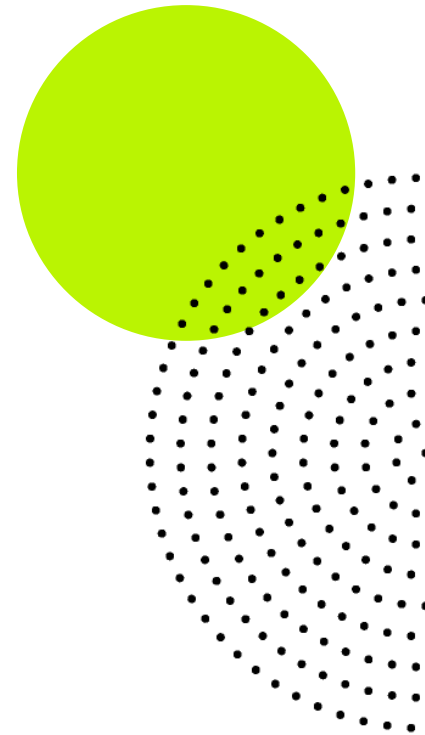
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QUESTIONS & ANSWERS

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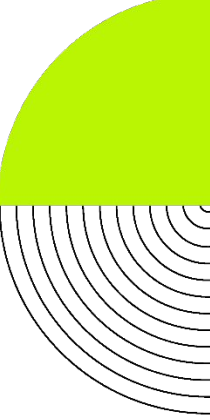


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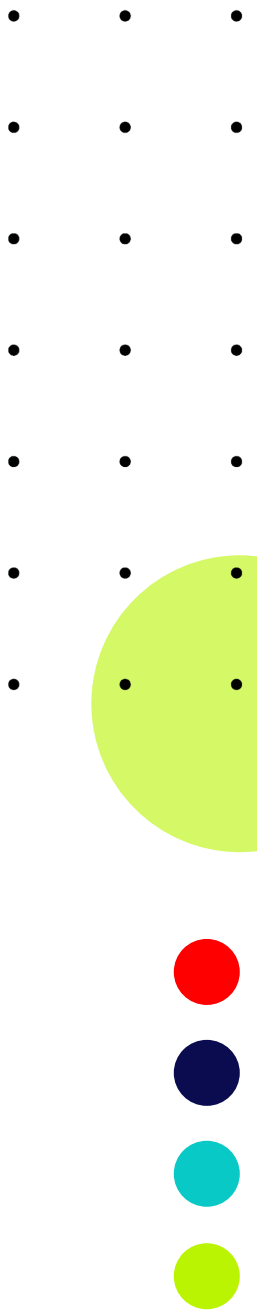




Special notes

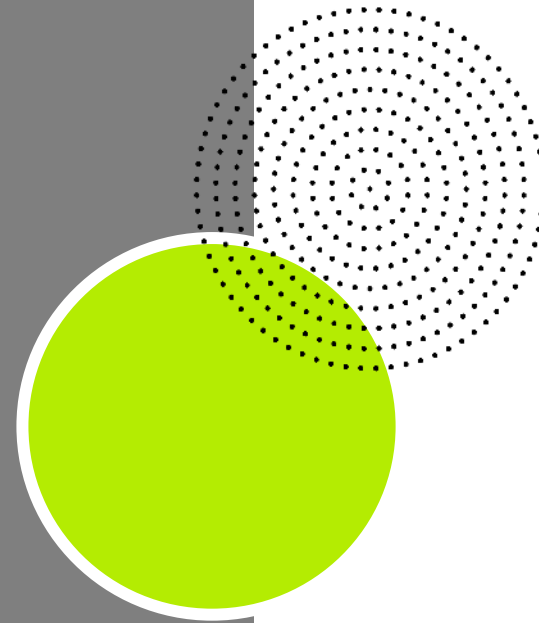


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CPD INDEX

- 1.** Introduction
- 2.** Which entities are eligible to use IFRS for SMEs?
- 3.** The current key concepts of normal day-to-day transactions in the IFRS for SMEs environment
- 4.** What are the proposed amendments and how they might affect current transactions?
- 5.** How to become part of the proposed amendments and provide valuable practical feedback on the proposed amendments



3. The current key concepts of normal day-to-day transactions in the IFRS for SMEs environment



IFRS for SMEs – key concepts and principles

- IFRS for SMEs Standard:
 - One standard with various sections

Sections	Where does it fit?	Key concepts
1; 35	Who uses the Standard and how to use as first-time adopter	Only eligible entities may use IFRS for SMEs.
2	Concepts and pervasive principles	Objective of financial statements and qualitative characteristics of information. Contains key definitions to consider for transactions
3 to 8	Components of the financial statements	Requirements for fair presentation of financial statements and sets out the information to be presented in each statement.
9; 14 to 15; 19	Consolidations and business combinations	Definition of control Circumstances to consolidate or exempt Accounting for joint ventures and associates
10	Accounting policies, estimates and errors	Retrospective versus prospective adjustments
11 to 12; 22	Financial instruments, liabilities and equity	Identification, recognition, measurement and disclosure

IFRS for SMEs – key concepts and principles

- IFRS for SMEs Standard:
 - One standard with various sections

Sections	Where does it fit?	Key concepts
13; 16 to 18; 27	Current and non-current assets and impairment	Identification, recognition, initial and subsequent measurement, accounting policy choices and disclosure
20	Leases	Classification, measurement and disclosures
21	Provisions and contingencies	Classification, measurement and disclosures
23	Revenue	Identification, recognition and measurement
24	Government grants	No future performance conditions – recognise as income Future performance conditions – only recognise when conditions are met
25	Borrowing costs	Recognise as an expense, no alternative treatment to capitalise

IFRS for SMEs – key concepts and principles

- IFRS for SMEs Standard:
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Sections	Where does it fit?	Key concepts
26	Share-based payments	Equity-settled – measure at fair value of goods/services received Cash-settled – measure at fair value of the liability
28	Employee benefits	Recognition and measurement of short and long-term benefits
29	Income tax	Income tax includes all domestic and foreign taxes based on taxable profit
30	Foreign currency translation	At reporting date: Monetary items – translate at closing rate Non-monetary items at historical cost – translate at transaction date Non-monetary items at fair value – translate at the date the fair value was determined
31	Hyperinflation	Adjust amounts to the measuring unit current at the reporting date

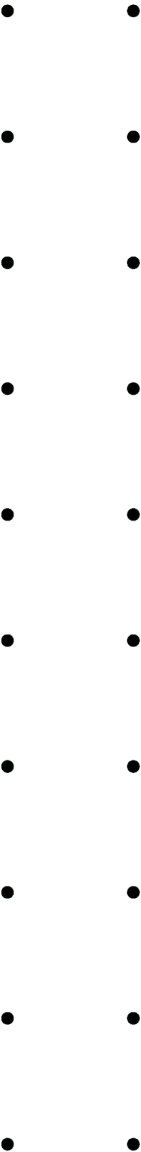
IFRS for SMEs – key concepts and principles

- IFRS for SMEs Standard:
 - One standard with various sections

Sections	Where does it fit?	Key concepts
32	Events after the reporting date	Adjusting events – update the financial statements Non-adjusting events – do not update but consider disclosure
33	Related party disclosures	Identification: Member of key management personnel of reporting entity or parent of the reporting entity Control, joint control or significant influence over the reporting entity
34	Specialised activities – agriculture, extractive activities, service concessions	Agriculture – measure at fair value less costs to sell Extractive activities – determine an accounting policy to specify which expenditures are recognised as exploration and evaluation assets Service concessions – public sector body contracts with a private operator to develop, operate and maintain the grantor’s infrastructure assets. Operator follows either financial asset or intangible asset model

IFRS for SMEs – key concepts and principles

- Areas of proposed changes contain:
 - Alignment of IFRS for SMEs with IFRS
 - Amendments to IFRS or IFRIC Interpretations
 - Leaving certain sections of IFRS for SMEs unchanged



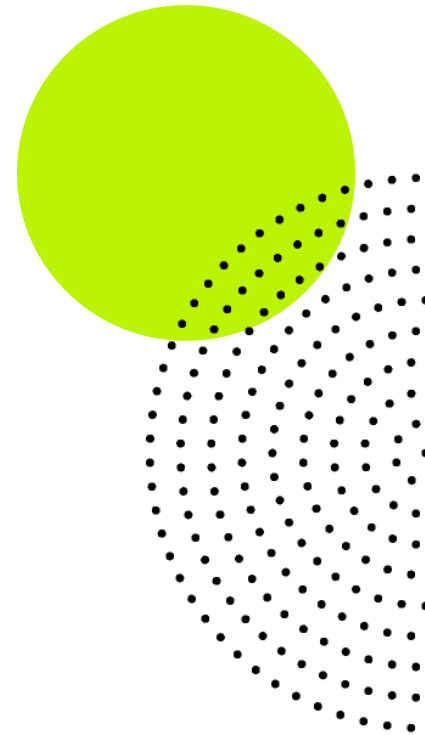
IFRS for SMEs – key concepts and principles

- Alignment and amendment – the following sections were considered:
 - Section 2 Concepts and pervasive principles
 - Section 9 Consolidated and separate financial statements
 - Section 11 Basic financial instruments
 - Section 12 Other financial instruments
 - Section 15 Investment in joint ventures
 - Section 19 Business combinations and goodwill
 - Section 20 Leases
 - Section 23 Revenue
 - Section 28 Employee benefits
 - Multiple sections dealing with:
 - Fair value considerations
 - Overall amendments to IFRS and IFRIC Interpretations

QUESTIONS & ANSWERS

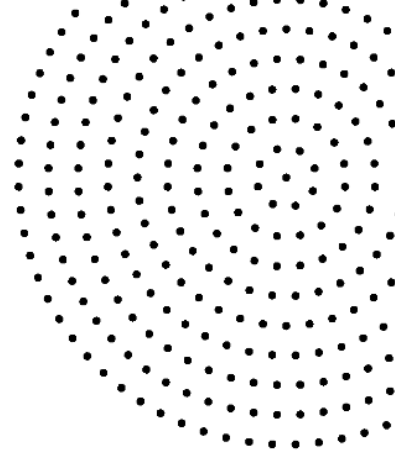
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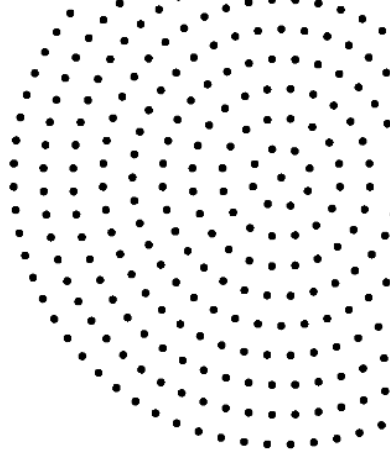
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