



CIFRS for SMEs

Presentation of Financial Statements

Casey Barnett, FCCA, CFA
Advisor
National Accounting Council
president@cam-ed.com

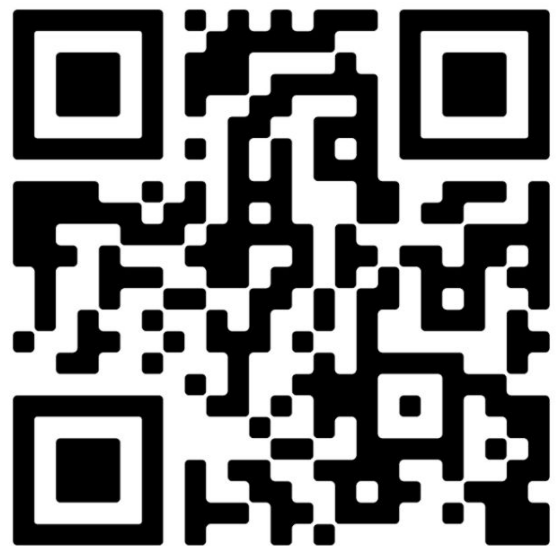
2015

International Financial Reporting Standard® (IFRS®)
for Small and Medium-sized Entities (SMEs)

IFRS for SMEs®

This official pronouncement incorporates 2015 Amendments to the IFRS for SMEs (effective 1 January 2017 with early application permitted).

PART A
the requirements



IFRS for SMEs
Simple Illustrative Financial Statements

Cambodia Version
Draft - September 9, 2020

Casey Barnett, FCCA, CFA



Financial Statements

Applying CIFRS for SMEs 2015 Section 6.4

- 1. A statement of financial position**
- 2. A statement of income and retained earnings**
- 3. A statement of cash flows**
- 4. Notes**

**Statement of income and retained earnings
for the year ended 31 December 2020**

Classification of expenses by function

	Notes	2020 ₹'000	2019 ₹'000
Revenue	5	6,863,545	5,808,653
Cost of sales		<u>(5,178,530)</u>	<u>(4,422,575)</u>
Gross profit		1,685,015	1,386,078
Other income	6	88,850	25,000
Distribution costs		(175,550)	(156,800)
Administrative expenses		(810,230)	(660,389)
Other expenses		(106,763)	(100,030)
Finance costs	7	<u>(26,366)</u>	<u>(36,712)</u>
Profit before tax	8	654,956	457,147
Income tax expense	9	<u>(270,250)</u>	<u>(189,559)</u>
Profit for the year		384,706	267,588
Retained earnings at start of year		2,171,353	2,003,765
Dividends		<u>(150,000)</u>	<u>(100,000)</u>
Retained earnings at end of year		<u>2,406,059</u>	<u>2,171,353</u>

**Statement of income and retained earnings
for the year ended 31 December 2020**

Classification of expenses by nature

	Notes	2020 ₹'000	2019 ₹'000
Revenue	5	6,863,545	5,808,653
Other income	6	88,850	25,000
Changes in inventories of finished goods and work in progress		3,310	(1,360)
Raw material and consumables used		(4,786,699)	(4,092,185)
Employee salaries and benefits		(936,142)	(879,900)
Depreciation and amortization expense		(272,060)	(221,247)
Impairment of property, plant and equipment		(30,000)	-
Other expenses		(249,482)	(145,102)
Finance costs	7	<u>(26,366)</u>	<u>(36,712)</u>
Profit before tax	8	654,956	457,147
Income tax expense	9	<u>(270,250)</u>	<u>(189,559)</u>
Profit for the year		384,706	267,588
Retained earnings at start of year		2,171,353	2,003,765
Dividends		<u>(150,000)</u>	<u>(100,000)</u>
Retained earnings at end of year		<u>2,406,059</u>	<u>2,171,353</u>

Use of Statement of Income and Retained Earnings

A statement of income and retained earnings can only be used if the only changes to equity are:

1. Profit or Loss
2. Payment of Dividends
3. Correction of Errors
4. Changes in Accounting Policy

IFRS for SMEs 3.18, 6.4

Financial Statements - OCI

CIFRS for SMEs 2015, Section 3.17

1. A statement of financial position
2. Statement(s) of comprehensive income
3. A statement of changes in equity
4. A statement of cash flows
5. Notes

Single Statement - Expense by Function

Statement of Comprehensive Income for the year ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Revenue	5	6,863,545	5,808,653
Cost of sales		<u>(5,178,530)</u>	<u>(4,422,575)</u>
Gross profit		1,685,015	1,386,078
Distribution costs		(175,550)	(156,800)
Administrative expenses		(810,230)	(660,389)
Finance costs	7	<u>(26,366)</u>	<u>(36,712)</u>
Profit before tax	8	654,956	457,147
Income tax expense	9	<u>(270,250)</u>	<u>(189,559)</u>
Profit for the year		384,706	267,588
Other comprehensive income			
Not reclassified to profit or loss:			
Revaluation surplus, net of tax		<u>150,000</u>	<u>110,000</u>
Other comprehensive income for the year, net of tax		<u>150,000</u>	<u>110,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>534,706</u>	<u>377,588</u>

Currency

CIFRS for SMEs Section 30

Accounting uses the functional currency, the currency that mainly influences sales prices and costs.

A different IFRS compliant presentation currency is allowed, but this requires a translation gain or loss in OCI and a translation reserve in equity.

Supplemental Translation

IAS 21, Paragraph 56 and 57

Supplemental non-IFRS currency translations are allowed if you:

1. Clearly identify the supplemental translation to distinguish it from IFRS compliant information, and
2. Disclose the method of translation

Supplemental Translation

Statement of Financial Position

for the year ended 31 December 2020

	Notes	2020	2019	Supplemental Information	
				2020	2019
	2.1	\$	\$	₹'000	₹'000
ASSETS					
Current assets					
Cash		1,082,727	900,153	4,439,181	3,668,122
Trade and other receivables	10	141,814	101,335	581,437	412,941
Inventories	11	118,964	90,564	487,752	369,048
Total Current assets		1,343,505	1,092,052	5,508,370	4,450,111
Non-current assets					
Property, plant and equipment	12	4,031,431	4,082,400	16,528,868	16,635,780
Investment property at fair value	6	273,000	283,000	1,119,300	1,153,225
Intangible assets	13	5,200	7,800	21,320	31,785
Total non-current assets		4,309,631	4,373,200	17,669,488	17,820,790
Total assets		5,653,136	5,465,252	23,177,858	22,270,901

7 key differences between CIFRS for SMEs and CIFRS.

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1. **CIFRS for SMEs is updated only every 5+ years.**

5 years!

2. CIFRS for SMEs uses incurred loss model for receivables (vs. CIFRS expected loss)



3. In CIFRS for SMEs all borrowing costs are expensed.



4. In CIFRS for SMEs, only one year note disclosure needed for PPE and intangible assets.



5. In CIFRS for SMEs, intangible asset development costs are expensed.



6. CIFRS for SMEs uses operating lease accounting for lessees (no IFRS 16 right of use).



7. CIFRS for SMEs requires the fair value model for investment property.

