



Agenda

# IFRS for SMEs workshop

23-27 May 2022, Baku, Azerbaijan

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23–27 May 2022, Baku, Azerbaijan

The World Bank Strengthening Auditing and Reporting in the Eastern Partnership ([STAREP](#)) program supports participating countries to design and carry out reforms in corporate financial reporting. STAREP program delivers through a combination of knowledge and peer learning activities and country-level support including capacity building and training activities in selected topics in accounting, financial reporting for beneficiary countries.

As part of 2022 STAREP implementation plan, STAREP supports conducting of a one-week training on the IFRS for SMEs. The training will be delivered during May 23-27, 2022, in Baku, Azerbaijan.

The target audience for the training is the relevant staff of the Ministry of Finance, professional accounting and audit associations, preparers of the IFRS for SMEs-based financial statements as well as representatives of academia and SME sector.

The event will be delivered in English with simulations interpretation into the local language.

## **Agenda summary:**

- **Day 1:** Introduction; Underlying concepts
- **Day 2:** Presentation and disclosure; Measurement
- **Day 3:** Measurement; Non-financial asset impairments
- **Day 4:** Financial instruments; Liabilities
- **Day 5:** Consolidations; Financial performance and first-time adoption

# AGENDA | DAY 1 | MONDAY, 23 MAY 2022 | 09:00 – 17:00

**09:00** Introduction

**Michael Wells** | Professor of Practice, Imperial College Business School

**09:30** Purpose, structure, scope and use of the IFRS for SMEs (including mini case studies)

**Michael Wells** | Professor of Practice, Imperial College Business School

**10:30** Coffee Break

**11:00** Overview of the requirements

- Summary of each section

**Michael Wells** | Professor of Practice, Imperial College Business School

**12:30** Lunch Break

**13:30** Concepts underlying the IFRS for SMEs

- Objective,
- qualitative characteristics,
- elements,
- recognition criteria,
- sub-classification of element,
- entity's assessment thresholds.

**Michael Wells** | Professor of Practice, Imperial College Business School

**15:00** Coffee Break

**15:30** Judgement

- SME Relevance case study (including materiality)
- SME Undue cost or effort case study

**Michael Wells** | Professor of Practice, Imperial College Business School

**17:00** End of Day 1

## AGENDA | DAY 2 | TUESDAY, 24 MAY 2022 | 09:00 - 17:00

### Principles of presentation and disclosure

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09:00

#### Principles of presentation:

- going concern,
- fair presentation,
- accounting policies,
- accounting estimates,
- prior period errors,
- SME hierarchy.

#### Principles of disclosure

- judgements that have the most significant effect on recognized items,
- major sources of estimation uncertainty,
- events after the reporting period,
- related party disclosure.

**Michael Wells** | Professor of Practice, Imperial College Business School

10:30

Coffee Break

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### Judgement

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11:00

- SME Policy v estimate case study
- SME hierarchy case study

**Michael Wells** | Professor of Practice, Imperial College Business School

12:30

Lunch Break

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### Cross-cutting measurement issues

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13:30

- Historical cost,
- cost model,
- revaluation model,
- fair value model (separate session in the afternoon),
- amortized cost (financial asset or financial liability),
- variable consideration,
- foreign currency translation,
- entity's assessment thresholds.

**Michael Wells** | Professor of Practice, Imperial College Business School

**15:00** Coffee Break

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**Judgement**

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**15:30**

- SME Depreciation case study
- SME Variable consideration case study

**Michael Wells** | Professor of Practice, Imperial College Business School

**17:00** End of Day 2

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**AGENDA | DAY 3 | WEDNESDAY, 25 MAY 2022 | 09:00 - 17:00**

**Fair value measurement**

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**09:00**

- Non-financial assets,
- financial assets,
- liabilities.

**Michael Wells** | Professor of Practice, Imperial College Business School

**10:30**

Coffee Break

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**Judgement**

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**11:00**

- SME Fair Value Measurement case study

**Michael Wells** | Professor of Practice, Imperial College Business School

**12:30**

Lunch Break

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**Impairment of non-financial assets**

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**13:30**

- Inventories,
- property, plant and equipment,
- investment property (cost model),
- biological assets in agricultural activity (cost model),
- intangible assets and goodwill,
- reversal of prior period impairments.

**Michael Wells** | Professor of Practice, Imperial College Business School

**15:00**

Coffee Break

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**Judgement**

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**15:30**

- SME Non-financial Assets Impairment case study

**Michael Wells** | Professor of Practice, Imperial College Business School

**17:00**

End of Day 3

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## AGENDA | DAY 4 | THURSDAY, 26 MAY 2022 | 09:00 - 17:00

### Financial instruments and transactions with owners in their capacity as owners

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09:00

#### Financial instruments:

- scope exclusions,
- scope inclusions,
- classification,
- recognition/derecognition of financial instruments,
- accounting for financial assets,
- accounting for financial liabilities.

#### Transactions with owners in their capacity as owners:

- contributions from owners,
- distributions to owners.

**Michael Wells** | Professor of Practice, Imperial College Business School

10:30

Coffee Break

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11:00

### Judgement

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- SME Financial Instruments case study

**Michael Wells** | Professor of Practice, Imperial College Business School

12:30

Lunch Break

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13:30

### Liabilities

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- Provisions,
- contingent liabilities,
- onerous contracts,
- employee benefits,
- leases,
- income taxes.

**Michael Wells** | Professor of Practice, Imperial College Business School

15:00

Coffee Break

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## Judgement

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15:30

- SME Non-financial Liabilities case study

**Michael Wells** | Professor of Practice, Imperial College Business School

17:00

End of Day 4

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## AGENDA | DAY 5 | FRIDAY, 27 MAY 2022 | 09:00 - 17:00

### Business Combination and consolidations

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#### Business combinations

#### Consolidated financial statements

- 09:00
- Goodwill and 'negative goodwill',
  - special purpose entities.

#### Separate financial statements

**Michael Wells** | Professor of Practice, Imperial College Business School

10:30 Coffee Break

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### Judgement

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- 11:00
- SME Business Combination and Consolidation case study

**Michael Wells** | Professor of Practice, Imperial College Business School

12:30 Lunch Break

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### Financial performance

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- 13:30
- Revenue,
  - government grants,
  - borrowing costs,
  - value changes,
  - mini case studies.

**Michael Wells** | Professor of Practice, Imperial College Business School

15:00 Coffee Break

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### First-time adoption of the IFRS for SMEs

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15:30 **Michael Wells** | Professor of Practice, Imperial College Business School

**16:30**

**Wrap-up Q&A, participant feedback**

**Michael Wells** | Professor of Practice, Imperial College Business School

**17:00**

End of workshop

## BIO OF THE TRAINER



### MICHAEL WELLS

Professor of Practice, Imperial College Business School

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Michael Wells CA(SA) is Professor of Practice at Imperial College Business School, Board Member at UK Endorsement Board and a World Bank Group consultant—working to deepen understanding of international financial reporting requirements and fostering capacity to make/audit/regulate the judgments necessary to apply them. He also performs compliance reviews of corporate financial statements for World Bank assessments of country compliance with financial reporting standards. Before that, for nearly a decade, he led the International Accounting Standards Board (IASB) International Financial Reporting Standards (IFRS) Education Initiative. While leading the IFRS Education Initiative he served as a member of the International Federation of Accountants (IFAC) International Accounting Education Standards Board (IAESB) Consultative Advisory Group (CAG) and the International Association for Accounting Education & Research (IAAER) Board of Advisors. He subsequently served on the American Accounting Association (AAA) Membership Advisory Committee. Before that he served as a member of the AAA Education Committee.



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