# IFRS for SMEs at a glance

IFRS for SMEs Accounting Standard · one-page reference

Core Knowledge

**CORE PRINCIPLE**

An SME, for this standard, has no public accountability and publishes general purpose financial statements for outside users (1.1, 1.2). Those statements help investors, lenders and other creditors decide whether to provide resources (2.3). This sheet follows the third edition, effective 1 January 2027.

| Topic | The question | The test | Reference | Where it shows |
|---|---|---|---|---|
| 1 **Scope** | **May this entity use the standard?** | No public accountability: its debt or equity is not traded on a public market and it does not hold assets as a fiduciary for a wide range of outsiders as a main business. | **1.2, 1.3** | Basis of preparation note |
| 2 **Policies** | **The standard is silent: what now?** | Look first to SME requirements on similar issues, then to the Section 2 concepts; full IFRS may be considered, but it is an option. | **10.4-10.6** | Accounting policies note |
| 3 **Undue cost or effort** | **Can the entity skip a costly measurement?** | Only where a paragraph grants the exemption; disclose that it was used and why. | **2.28, 2.31** | Notes |
| 4 **Revenue** | **When is revenue recognised?** | Five steps: contract, promises, price, allocation, then revenue when (or as) each promise is fulfilled. | **23.3** | Revenue, contract balances |
| 5 **Assets** | **At what amount is the asset carried?** | Property, plant and equipment at cost or revaluation, less depreciation and impairment; goodwill amortised over no more than ten years if its life cannot be estimated reliably. | **17.15, 19.34, 27.5** | Financial position, profit or loss |

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|---|---|---|---|---|
| 6 **Transition** | **First time on the standard?** | Section 35: the date of transition is the start of the earliest period shown; moving from the second edition uses the Appendix A reliefs. | **35.6, A2** | Opening position, transition note |