



IFRS

Gearing up for 2011



MEYERS NORRIS PENNY LLP



IFRS – Gearing up for 2011

On January 1, 2011, Canadian publicly listed companies and certain publicly accountable enterprises will join a global movement to adopt International Financial Reporting Standards (IFRS).

From that date on, companies are required to report their financial results using IFRS. Since this transition may have a significant impact on your reporting, internal processes and accounting policies, detailed planning of this complex process is required. Working closely with your team, Meyers Norris Penny LLP can advise your organization on every facet of managing this change to helping ensure a smooth, seamless transition to IFRS.

How did IFRS evolve?

IFRS represent a global movement toward a single, unified set of accounting standards recognized worldwide. Today, more than 100 countries require IFRS reporting by public companies. Canada chose to join the IFRS movement to give Canadian organizations better access to international capital markets and investments. In the long-term, IFRS is expected to result in increased transparency and consistency for financial reporting. In the short-term, the change will mean increased learning, a heavy focus on professional judgment and additional disclosure requirements.



Timeline for adopting IFRS

2009

Disclosure of convergence plan and expected qualitative impacts in the Financial Statements and MD&A.

2010

Last reporting under Canadian GAAP. Preparation of IFRS opening balance sheet and 2010 comparative IFRS figures.

Disclosure of convergence plan, qualitative impacts and quantitative impacts, if known.

2011

IFRS goes into effect for financial year-ends beginning on/after January 1, 2011.

Publicly listed companies will require full IFRS compliant interim and year-end financial statements.

What will the transition to IFRS require?

Moving to IFRS entails a number of steps:

- Technical accounting changes
- Updating accounting policy procedures and manuals
- Updating personnel training
- Modifying internal controls and dealing with the impact on 52-109 certifications
- Changing internal audit plans
- System changes for capturing and reporting data
- Management reporting updates
- Audit support – accounting records must support application of IFRS
- Communication to capital markets
- Changes in financial statement presentation
- New valuation rules
- Additional disclosure requirements

IFRS-1 First-Time Adoption

IFRS -1 First-time Adoption of International Financial Reporting Standards is intended to provide relief to companies changing over to IFRS. Under IFRS-1, the underlying principle on adoption is retrospective application of all IFRS at the company's first IFRS reporting date. The International Accounting Standards Board ("IASB") acknowledged that in some cases it may be too difficult, too costly or maybe impossible to accumulate historical information on an IFRS basis. The IASB has therefore provided preparers with optional exemptions for retrospective application of IFRS for certain areas. These include exemptions for: retrospective application of *IFRS-3 Business Combinations*; certain share-based payment transactions;

fair value as deemed cost for items of property, plant and equipment; recognition of unrecognised actuarial gains and losses on defined benefit plans; clearing of cumulative translation differences for all foreign operations; recognizing change in decommissioning liabilities, and the application date of *IAS-23 Borrowing Costs*. The IASB also considered that retrospective application may be too subjective in some instances and therefore decided to prohibit retrospective application in certain areas.

Lessons learned from enterprises in Europe, South Africa and Australia that have already adopted IFRS

- Enterprises underestimated the effort required to transition to IFRS. The transition involves significant changes to data collection and other internal processes, not just a back-end accounting change that can be performed at year-end.
- Support from senior management is critical throughout all stages of the project, including educating key executives and board members.
- An investment is required to educate staff, perform IT upgrades and conduct contract negotiations (i.e. financial covenants on debt, bonuses and other compensation packages).
- Ongoing, targeted communication with shareholders, financial institutions and the market is essential, including communicating IFRS transition issues early so you can manage market expectations.
- Audit committees need to know:
 - Who is leading the implementation of IFRS?
 - What is the company's timetable?
- Implementation challenges can arise from:
 - A lack of preliminary planning and delay in starting the transition.
 - Poor project management and the lack of a formal process for identifying and resolving issues.

Issues to address as you transition to IFRS

Now is the time to answer these key questions:

- What are the key differences between Canadian GAAP and IFRS for our organization? How will the differences impact our financial statements and disclosures?
- What criteria should be used for the selection of IFRS?
- How should we account for ongoing changes in GAAP?
- What are the issues with dual GAAP reporting until the changeover date?
- What decisions are to be made under IFRS-1?
- What IFRS are expected to change between now and 2011?
- What effect will the change to IFRS have on our key performance drivers, including earnings per share, financial covenants, incentive plans and dividends?
- Do we anticipate any mergers or acquisitions between now and 2011?
- How will IFRS impact our reporting? How will we communicate the change and issues effectively, both internally and to the market?
- Do we have the knowledge and expertise to ensure the transition to IFRS goes smoothly? What resources and expertise will we need to obtain externally?
- How will our internal processes change as a result of the transition to IFRS? What data collection will be different?

How do IFRS and Canadian GAAP compare?

While IFRS and Canadian GAAP are principles-based, the application of IFRS requires significant professional judgment. This is because IFRS provides options for certain standards, essentially allowing you to choose from several accounting policy alternatives. You must carefully analyse alternatives to ensure the policy chosen provides the most useful financial reporting for your organization.

Oil and Gas Industry

The impact of IFRS is felt along the entire oil and gas value chain but many of the key differences and options are greatest at the exploration and evaluation phase.

Key impact areas

Full cost accounting is allowed to continue under IFRS-6 but only for the exploration and evaluation phase. This will require companies to identify and account for pre-exploration, exploration and evaluation and development costs separately. In addition, asset retirement obligations measured under IFRS may be subject to greater volatility as IFRS requires the use of current interest rates at each reporting date to determine the obligation. Impairment testing under IFRS will likely lead to more frequent recognition of impairments than under Canadian GAAP as IFRS uses discounted cash flows to assess whether an impairment exists.

Proposed IFRS-1 amendment

The IASB is currently proposing an amendment to IFRS-1 whereby full cost oil and gas companies may elect, at the date of transition to IFRS, to measure exploration and evaluation assets at the amount determined under Canadian GAAP and to measure oil and gas assets in the development and production phase by allocating the amount determined under Canadian GAAP to the underlying assets on a pro-rata basis using reserve volumes or reserve values as of that date. This amendment is expected to be approved in the summer of 2009.

Credit Unions

Transition issues for Canadian credit unions have been reduced as a result of the amendment to the Canadian GAAP standards on financial instruments in 2006, thereby bringing them closer to the applicable IFRS. However, additional differences between Canadian GAAP and IFRS still remain. The IFRS areas of significance for credit unions include:

- Property, Plant and Equipment – components may need to be identified at a more detailed level and fair value versus cost measurement options need to be assessed.
- Loan Loss Provisions – expected future losses can not be provisioned. Credit unions must apply an “incurred-loss” model in measuring loan impairments both individually and on a collective portfolio basis. As a result, general loan loss provision requirements are more stringent under IFRS. In the future, this is expected to cause additional income volatility.
- Securitizations – it will be difficult to achieve off-balance sheet treatment for mortgage securitizations and credit card securitizations under IFRS.

U.S. Transition

On November 14, 2008, the SEC released its proposed roadmap for the adoption of IFRS in the U.S. At about the same time, leaders from the G20 countries at a financial summit in the U.S. issued a statement which, among other things,

confirmed the leaders' support for developing a single set of high-quality global accounting standards. Both of these events represent progress toward the adoption of IFRS in the U.S. The roadmap outlines the key activities that need to be completed before the SEC requires the adoption of IFRS for U.S. filers. According to the proposed roadmap, the SEC will evaluate progress against these milestones in 2011. At that time, it will decide whether to require mandatory use of IFRS, beginning in 2014 for large accelerated filers, 2015 for accelerated files, 2016 for all other filers, and whether to expand the group of companies permitted to adopt IFRS early.

Future changes to IFRS

The IASB is currently undertaking a significant review of certain standards. As a result, a number of the IFRS are subject to new issuance, update and revision. Many of these changes are driven by a joint project between the IASB and FASB. Current and proposed projects will result in changes to standards such as consolidation, financial instruments, fair value measurement guidance, income taxes, joint ventures, liabilities, leases, financial statement presentation, revenue recognition and related parties. The work plan anticipates the completion of several of these projects in 2010 and 2011. As such, your conversion project will require close monitoring of any IFRS changes and their related reporting requirements and impacts on the financial statements.

IFRS versus Canadian GAAP

International standards	Equivalent Canadian section(s)	Key Differences	
		IFRS	Canadian GAAP
IAS 11 Construction contracts	CICA 1505 Disclosure of accounting policies CICA 1508 Measurement uncertainties CICA 3031 Inventories CICA 3400 Revenue EIC - 78	<p>Construction contracts assessed at each balance sheet date.</p> <p>If outcome of contract reliably estimable:</p> <ul style="list-style-type: none"> - Revenue and cost recognized using percentage of completion method; - Costs relating to future activity recognized as asset if recovery is probable; expensed if recovery not probable. <p>If outcome of contract not reliably estimable:</p> <ul style="list-style-type: none"> - Contract costs expensed as incurred; - Revenue recognized using cost recovery method; - Expected loss expensed immediately. <p>Completed contract method is prohibited.</p> <p>Additional disclosure requirements.</p>	<p>No current comparable Handbook section.</p> <p>Performance and revenue determined using the percentage of completion or the completed contract method.</p> <p>Revenue recognition criteria as per CICA 3400 and EIC – 141.</p> <p>Work-in-process inventory guidance in CICA 3031.</p> <p>No revenue or expense is recognized until such time as the entity has reasonable assurance concerning the measurement of the revenue earned.</p>
IAS 12 Income taxes	CICA 3465 Income taxes EIC – 120 EIC – 146	<p>Recognition and measurement of certain items differs.</p> <p>Uses terminology “deferred taxes.”</p> <p>Use of current rate versus future rate.</p>	<p>Uses terminology “future taxes.”</p>
IAS 16 Property, plant and equipment	CICA 1400 General standards of financial statement presentation CICA 1506 Accounting changes CICA 1520 Income statement CICA 3061 Property, plant and equipment CICA 3280 Contractual obligations CICA 3831 Non-monetary transactions	<p>Addresses measurement issues relating to deferred payment beyond normal credit terms for purchase of assets.</p> <p>PPE can be carried at:</p> <ul style="list-style-type: none"> - Cost basis (cost less accumulated depreciation and impairment losses); or - Revalued amounts (fair value) less depreciation. <p>If revaluation method used, must apply to entire class of assets and occur frequently enough to ensure net carrying value approximates fair value.</p> <p>Net revenue or expense of incidental operations is recognized in profit or loss.</p> <p>Explicit requirement to breakdown assets into components.</p>	<p>CICA 3061 does not address deferred payment for an asset.</p> <p>PPE carried on cost basis subsequent to initial recognition – revaluation of assets is prohibited.</p> <p>Net revenue or expense derived from PPE prior to substantial completion and readiness for use is included in the assets’ cost.</p> <p>Assets are broken down into significant components only when practicable.</p> <p>Certain disclosure requirements differ.</p>
IAS 18 Revenue	CICA 3400 Revenue EIC – 141 EIC – 142	<p>Provides similar guidance for revenue recognition from sale of goods or services, with specific scope exemptions.</p> <p>Revenue measured at fair value.</p> <p>Application guidance more extensive and detailed than CICA 3400.</p>	<p>Does not specifically address measurement of revenue. EIC – 141 contains some guidance on “fixed or determinable sales price.”</p> <p>Certain disclosure requirements differ.</p>
IAS 19 Employee benefits	CICA 3461 Employee future benefits EIC – 134	<p>Provides accounting recommendations for:</p> <ul style="list-style-type: none"> - Short-term and long-term employee benefits. - Profit-sharing and bonus plans. <p>Defined contribution plans:</p> <ul style="list-style-type: none"> - Past service costs for defined contribution plans are not addressed. <p>Defined benefit plans:</p> <ul style="list-style-type: none"> - Actuarial gains/losses – can be recognized in equity or in profit/loss. 	<p>Provides accounting recommendations for:</p> <ul style="list-style-type: none"> - Long-term employee benefits. <p>Defined contribution plans:</p> <ul style="list-style-type: none"> - Additional disclosure required. <p>Defined benefit plans:</p> <ul style="list-style-type: none"> - Actuarial gains/losses – cannot be recognized directly in equity. - Past service costs – amortized by assigning an equal amount to each remaining service period up to the full eligibility date of each employee active at date of plan initiation or amendment who was not yet fully eligible for benefits at that date.

International standards	Equivalent Canadian section(s)	Key Differences	
		IFRS	Canadian GAAP
IAS 19 Employee benefits (continued)		<ul style="list-style-type: none"> - Past service costs – expensed on straight-line basis over average period until benefits become vested. - Expected return on plan assets – based on market expectations, at beginning of period, for returns over entire life of related obligation. Limitation on recognition of subsequent actuarial gains and a right to reimbursement is recognized as a separate asset. - Certain disclosure requirements differ. 	<ul style="list-style-type: none"> - When all/almost all employees no longer active, amortize on a straight-line basis over average remaining life expectancy of former employees. - Expected return on plan assets – based on expected long-term rate of return on plan assets and fair value of plan assets. No limitation on recognition of subsequent actuarial gains. CICA 3461 does not address right to a reimbursement.
IAS 21 The effects of changes in foreign exchange rates IAS 29 Financial reporting in hyperinflationary economies	CICA 1651 Foreign currency translation EIC – 130	<p>Uses a “functional currency” approach (the currency of the primary economic environment in which the entity operates).</p> <p>Financial information in functional currency is translated into “presentation currency.”</p> <p>Additional disclosure requirements.</p> <p>More comprehensive guidance for accounting in highly inflationary environments.</p> <p>Non-monetary items measured at fair value translated at date when fair value was determined.</p>	<p>Takes the approach from the perspective of three specific types of activities:</p> <ul style="list-style-type: none"> - Foreign currency transactions of the reporting enterprise. - Integrated foreign operations. - Self-sustaining foreign operations.
IAS 23 Borrowing costs	CICA 3061 Property, plant and equipment CICA 3850 Interest capitalized – disclosure considerations	Capitalization of borrowing costs is required under specific circumstances.	Interest costs may be expensed or capitalized.
IAS 27 Consolidated and separate financial statements SIC 12 Consolidation – special purpose entities (SPE)	CICA 1300 Differential reporting CICA 1590 Subsidiaries CICA 1600 Consolidated financial statements CICA 3051 Investments AcG 15 Consolidation of variable interest entities (VIEs) EIC – 157	<p>Requires consistent accounting policies for all entities within the consolidated group.</p> <p>Requires that fiscal periods of parent and its subsidiaries be limited to a difference of no more than three months.</p> <p>Requires elimination of all intercompany balances, transactions, income and expenses in full.</p> <p>Differences in presentation of non-controlling interests on the consolidated balance sheet and income statement.</p> <p>All subsidiaries must be consolidated. No exemption for specific investment companies to show subsidiaries at fair value.</p> <p>Additional disclosure requirements.</p> <p>SIC 12: When existence of control is not apparent, the party determined to have the majority of rewards or residual risk is required to consolidate the SPE.</p>	<p>No specific guidance re: consistency of accounting policies across consolidated group.</p> <p>Does not limit discrepancy in fiscal periods to three months, but provides guidance on non-coterminous fiscal periods.</p> <p>Requires elimination of unrealized intercompany balances, with consideration given to intercompany gains/losses in subsidiary company with a non-controlling interest.</p> <p>AcG-15: Requires consolidation of VIEs if reporting entity is deemed to be the primary beneficiary (i.e., control on basis other than ownership of voting interests):</p> <ul style="list-style-type: none"> - The primary beneficiary is the entity that will absorb the majority of expected losses and/or receive majority of expected returns.
IAS 31 Interests in joint ventures	CICA 1300 Differential reporting CICA 3055 Interests in joint ventures CICA 3831 Non-monetary transactions AcG 18 Investment companies EIC – 38	<p>Allows for the use of equity method or proportionate consolidation method for joint ventures (with some exceptions).</p> <p>Certain disclosure requirements differ.</p> <p>Current exposure draft disallows the use of proportionate consolidation for joint ventures.</p>	CICA 3055 requires proportionate consolidation and prohibits the use of the equity method to account for joint ventures.

International standards	Equivalent Canadian section(s)	Key Differences	
		IFRS	Canadian GAAP
IAS 33 Earnings per share	CICA 3500 Earnings per share	No presentation of EPS before discontinued operations and extraordinary items. - IFRS do not permit separate presentation of "extraordinary items."	Presentation of EPS for net income before discontinued operations and extraordinary items. Presentation of EPS for discontinued operations and/or extraordinary items.
IAS 36 Impairment of assets	CICA 1581 Business combinations CICA 3025 Impaired loans CICA 3051 Investments CICA 3061 Property, plant and equipment CICA 3062 Goodwill and other intangible assets CICA 3063 Impairment of long-lived assets CICA 4211 Life insurance enterprises – specific items EIC – 64, EIC – 136	Prescribes the accounting and disclosure for impairment of all assets, with specific exceptions. Impairment recognized immediately if recoverable amount is less than carrying value. Recognize impairment loss when carrying amount exceeds higher of expected discounted future cash flows and fair value less costs to sell. Reversal of impairment loss required when there has been a change in estimates used to determine recoverable amounts – reversal of impairment loss on goodwill is prohibited.	CICA 3063 is narrower in scope, as impairment consideration is also included in other sections. CICA 3051 and 4211 require that an impairment loss is recognized when asset's carrying amount exceeds expected undiscounted cash flows. Reversal of impairment loss/write-down is prohibited. Certain disclosure requirements differ.
IAS 37 Provisions, contingent liabilities and contingent assets	CICA 1000 Financial statement concepts CICA 1508 Measurement uncertainty CICA 3110 Asset retirement obligations CICA 3280 Contractual obligations CICA 3290 Contingencies CICA 3475 Disposal of long-lived assets and discontinued operations AcG 14 Disclosure of guarantees EIC – 159	Defines a "provision" as a "liability of uncertain timing or amount." A provision is recognized if it meets three specific criteria. Addresses the measurement of provisions. Use of "management's best estimate of cash outflows" and current interest rates in each estimate. These are to be reviewed at each reporting period. Unwinding of discount is recognized as borrowing cost. Addresses measurement and recognition of non-financial guarantees.	Does not define a "provision." A liability is recognized if it meets the three essential characteristics as per CICA 1000. Use of fair value measurement on initial recognition. For ARO's the credit-adjusted risk-free rate is only reassessed when there is an upward revision in the amount of estimated cash flows. Unwinding of discount is classified as an operating item in the income statement and not as interest expense. No general disclosure requirements for "liabilities" which are similar to those for "provisions" as per IAS 37. Disclosures required for contingencies are less extensive than those required by IAS 37.
IAS 38 Intangible assets	CICA 1581 Business combinations CICA 3061 Property, plant and equipment CICA 3062 Goodwill and other intangible assets CICA 3450 Research and development costs AcG 11 Enterprises in the development stage EIC – 27	Measurement: Allows fair value revaluation of intangible assets that have an active market. Requires extensive disclosure for: <ul style="list-style-type: none">- Each class of intangible assets;- Internally generated intangible assets to be distinguished from other intangible assets;- Intangible assets carried at revalued amounts. Capitalization of pre-operating costs is prohibited.	CICA 3062 and 3450 require such assets to be measured at cost and do not permit alternative treatment. CICA 3062 and 3450 disclosure requirements are not as extensive as the requirements in IAS 38.
IAS 39 Financial instruments: recognition and measurement	CICA 1300 Differential reporting CICA 1651 Foreign currency translation CICA 3025 Impaired loans CICA 3855 Financial instruments – recognition and measurement CICA 3865 Hedges	Classification of convertible debt instruments differs. Restricts circumstances in which "held for trading" classification is available. Criteria for classification of shares as equity are more restrictive. More stringent for general loan loss allowances. Impairment losses can be reversed. "Critical terms match" approach and "shortcut method" for measuring hedge ineffectiveness is prohibited. Transaction costs in respect of financial instruments other than those fair valued through profit or loss are included in the initial measurement.	No reversal of impairment losses. "Critical terms match" approach and "shortcut method" for measuring hedge ineffectiveness is permitted if specific conditions are met. CICA 3855 provides a choice to either include: transaction costs in respect of financial instruments other than those fair valued through profit or loss in the initial measurement; or recognize them in profit or loss.

International standards	Equivalent Canadian section(s)	Key Differences	
		IFRS	Canadian GAAP
IFRS-2 Share-based payments	CICA 3870 Stock-based compensation and other stock-based payments	Recognition and measurement of certain share-based payment arrangements differ.	Certain disclosure requirements differ.
IFRS-3 Business combinations	CICA 1581 Business combinations CICA 1600 Consolidated financial statements CICA 3062 Goodwill and other intangible assets EIC – 42, EIC – 55, EIC – 94, EIC – 119, EIC – 125, EIC – 127, EIC – 152	Minority interest is measured at proportion of net fair value of assets, liabilities and contingent liabilities. Negative goodwill – identification and measurement of net assets and costs of combination reassessed, excess remaining recognized immediately in profit or loss. There are differences in the determination of the acquisition date, the date that shares issued as additional consideration are fair valued and the recognition of contingent consideration. Certain disclosure requirements differ.	Minority interest is measured at historical cost. Negative goodwill initially allocated on a pro rata basis against the carrying amounts of certain acquired non-financial assets, with any excess recognized as an extraordinary gain.
IFRS-4 Insurance contracts	CICA 4211 Life insurance enterprises – specific items	IFRS 4 is an interim standard which allows a wide range of accounting treatments for insurance contracts, rather than accounting policies to be adopted by an insurance enterprise. Allows, in most cases, the entity to continue its “local” GAAP application to insurance contracts, which may therefore include Canadian GAAP.	Guidance deals more extensively with aspects of accounting by insurance enterprises.
IFRS-5 Non-current assets held for sale and discontinued operations	CICA 3475 Disposal of long-lived assets and discontinued operations	Defines discontinued operations as “separate major business or geographical area.” Certain presentation and disclosure requirements differ.	Defines discontinued operations as “operating segment, reporting unit, subsidiary or asset group.”
IFRS-6 Exploration for and evaluation of mineral resources	CICA 3061 Property, plant and equipment CICA 3063 Impairment of long-lived assets AcG 11 Enterprises in the development stage AcG 16 Oil and gas accounting – full cost EIC – 126	Deals specifically with the financial reporting for the expenditures incurred in exploration for and evaluation of mineral resources (E&E phase). “Full cost accounting” permitted only for E&E phase expenditures. Does not provide comprehensive accounting guidance for the development of mineral resources (i.e., post E&E phase). - During E&E phase, capitalize expenditures if it meets definition of an asset. Refer to IAS 16, IAS 36 and IAS 38 for guidance.	Allows application of full cost accounting for oil and gas exploration, development and production activities. Certain disclosure requirements differ.
IFRS-7 Financial instruments: disclosures IAS 32 Financial instruments: presentation	CICA 3861 Financial instruments – disclosure and presentation CICA 3862 Financial instruments – disclosure CICA 3863 Financial instruments - presentation	Disclosure requirements are generally more comprehensive.	More specific disclosure required on hedging transactions.
IFRS-8 Operating segments	CICA 1701 Segment disclosures	Applies only to listed entities and those in the process of listing. Requires the disclosure of segment liabilities.	Applies to listed entities and those in the process of listing, cooperative business enterprises, deposit taking institutions, and life insurance enterprises. Requires the reconciliation to extraordinary items. Requires the disclosure of extraordinary items.

How can MNP help you?

As a member of Horwath International, one of the world's top ten accountancy and business services networks, MNP has access to IFRS expertise from Australia, the UK, and other countries that have already converted to IFRS. MNP's local IFRS team has significant IFRS conversion experience and has led IFRS conversions in Australia, South Africa, the Cayman Islands, the UK and Canada.

MNP offers a full range of IFRS services to give you value-added solutions that ensure your transition to IFRS is efficient and cost effective. Our proven IFRS diagnostic tool (the "Diagnostic"), used in all of MNP's IFRS conversions to date, identifies IFRS and Canadian GAAP differences that will affect your organization. Your MNP advisor can show you where you need to make changes and provide a structure you can use to manage either selected stages of the transition process or the entire process, depending on your specific circumstances. Our IFRS Partners and Managers, who have led IFRS conversions and worked within the IFRS framework around the world, will provide you with a clear, practical and streamlined approach to ease your transition to IFRS.

Ensure a smooth transition with MNP

Preliminary Impact Assessment

- Provide a high-level assessment of Canadian/IFRS accounting differences and the impact on your organization.
- Produce a high-level diagnostic report of differences and the impact of IFRS.
- Identify main GAAP differences, focused on your organization and industry.
- Advise on a conversion strategy and develop a conversion timetable.

Detailed Evaluation

- Review detailed financial information.
- Highlight and quantify differences between IFRS and Canadian GAAP.
- Advise on the selection of appropriate accounting policies. IFRS provides flexibility in certain areas; MNP will work with you to determine which policies will best suit your reporting needs.
- Assess the impact on opening balances under IFRS.
- Provide advice on assessing fair value and impairment tests under IFRS models.
- Assist in mapping the conversion process and creating an audit trail of the changeover.

- Communicate conversion issues and resolution with the audit committee and auditors.
- Advise on optional exceptions available under IFRS-1.
- Interpretation of accounting policies where significant judgment is required.
- Provide tailored CPD accredited IFRS training.
- Determine additional information requirements necessary for compliance with IFRS-based corporate reporting.
- Consider the impact of IFRS on future budgeting/forecasting, including the effect on covenants, bonus calculations, etc.
- Develop an implementation plan addressing accounting and reporting processes, including the IT function.
- Assist with the design of integrated conversion – comprehensive changes to processes, policies and procedures that will incorporate IFRS into the daily operations of your organization.
- Develop a conversion report.

Implementation

- Assist with the conversion of the transitional opening balance sheet, comparative interim and year-end financial statements.
- Assist with pro-forma financial statements and disclosure requirements.
- Develop strategies for external communication – manage message to analysts and market regarding the expected impact of adopting IFRS.
- Assist with change management and internal communication.
- Help with the conversion of merger and acquisition targets' accounting.
- Provide tax planning advice regarding the change to IFRS.
- Liaise with auditors regarding the IFRS conversion.
- Review of final IFRS financial statements.
- Assess internalization of IFRS processes.

For more information on managing your transition to IFRS, contact Jason Kingshott, CA today at 403.537.7615.



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