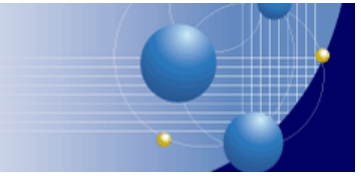


IFRS - The Basics

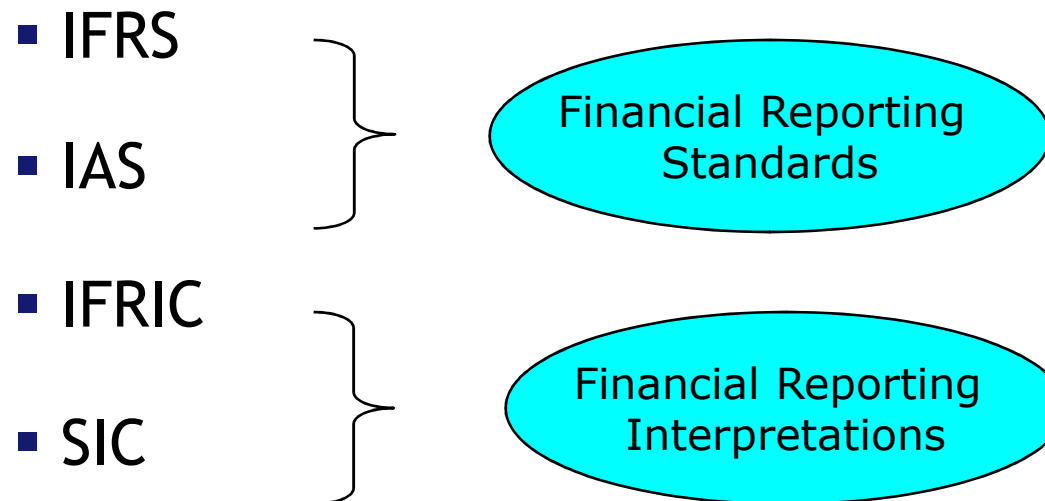


Marcus Guenther CA , MBA
FocusROI Inc
mguenther@focusROI.com



What is IFRS?

International Financial Reporting Standards (IFRSs) are a set of standards developed by the IASB which set out the recognition, measurement, presentation and disclosure requirements for general purpose F/S.



Are you affected?

- Applies to Publicly Accountable Enterprise (PAE)

- IFRS may be an issue for:
 - Foreign private issuer with SEC
 - Canadian filer - CSA
 - OSFI regulated entities
 - Subsidiary of IFRS filer.

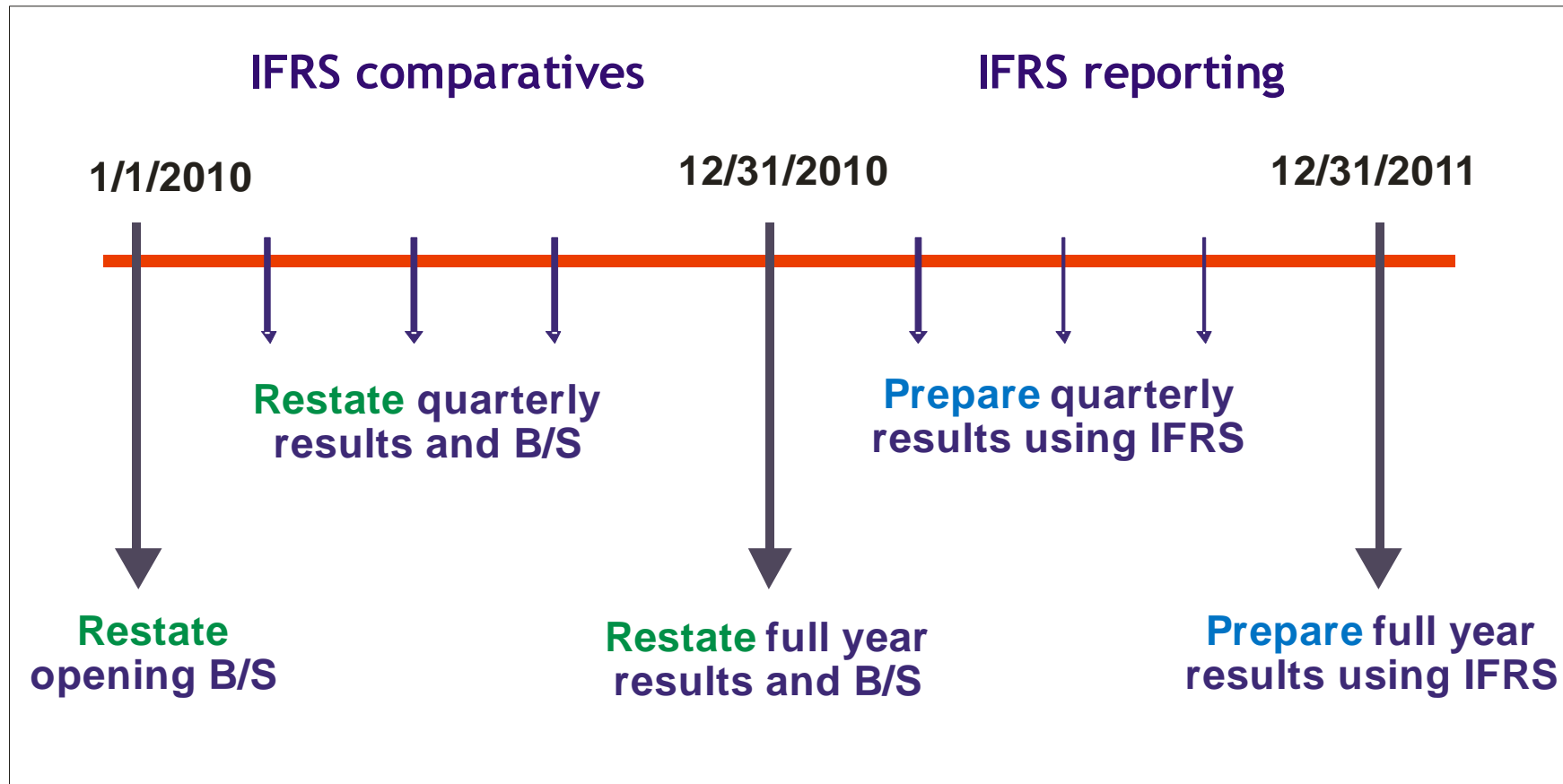
Changeover date confirmed...

Applies to financial statements
prepared on or after

January 1, 2011



Timelines...



Matters to be addressed..

1. Learning IFRS
2. Making informed choices on accounting policies
3. Understanding the ongoing changes to IFRS
4. Determining the Impact on earnings and what new disclosures are required
5. Preparing Comparative financial statements
6. Changes required in accounting systems and internal controls over financial reporting

IFRS is a moving target.

IFRS

- Some will stay the same as now
- Some will change between now and 2011
- Some will change after 2011 with early adoption permitted

Canadian GAAP

- Convergence with IFRS prior to adoption

Canadian Securities Administrators grooming disclosures
(52-320)

Track changes through AcSB Exposure Drafts

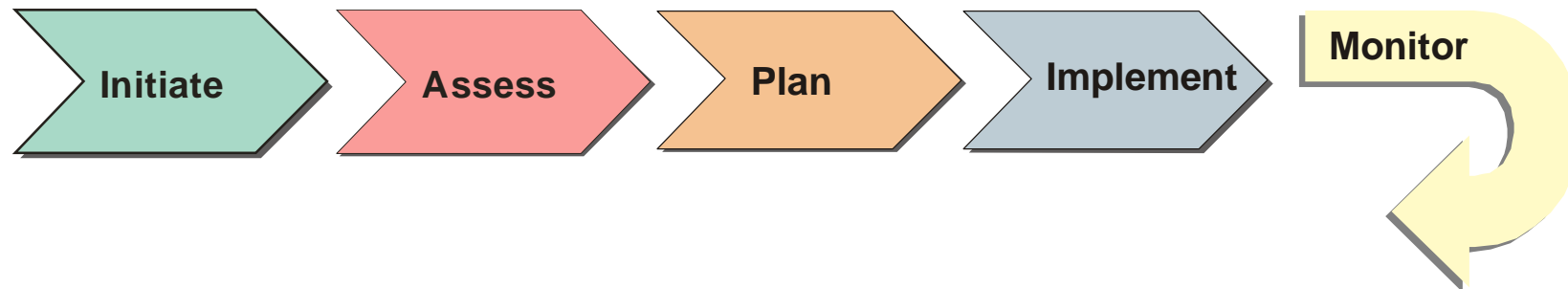
Operational considerations:

- Handling shortage of skilled personnel
- Educating financial statement readers
- Corporate culture change
- Educating and training staff
- Communication with stakeholders and investors:
managing expectations
- Adopting an effective management approach

IFRS Opportunities

- Move to IFRS presents opportunity to:
 - Reevaluate accounting policies chosen.
 - Improve year-end/period end close processes
 - Rationalize internal controls using a risk based approach
 - Improve documentation of internal controls and accounting policies.
 - Upgrade your financial systems.

The Move to IFRS



Initiation	Assessment	Planning	Implementation	Monitoring
Steering committee Project plan Orientation	GAP analysis Stakeholder impact Syst./process review	Prepare IFRS policies Systems/controls impact Training Communication	Finalize IFRS policies Quantification of differences Make policy and IT changes Dry run of systems/controls	Monitor standards Periodic or systematic monitoring On-going testing

Effect of IFRS on operations

- Performance measurement
 - Increased volatility in income
 - Impact on KPIs and non-GAAP financial measures

- Calculation of Financial covenants

- Executive compensation plans
 - Income and EPS affected

- Effect on deferred tax accounting
 - Calculating timing differences
 - May be difference between difference and timing of reversal which will affect valuation.

Please contact
us for further
information

info@focusROI.com
416 594 0005

