

<b>Canadian GAAP</b>	<b>IFRS (Int'l Financial Reporting Standards)</b>
<b>A. Basis of Accounting<sup>2</sup></b>	
Financial statements are prepared normally under the historical cost basis.	Financial statements are prepared with a growing emphasis on fair value measurement.
<b>B. Financial Statement Presentation<sup>3</sup></b>	
Financial statements include a statement of retained earnings.	IFRS does not require a statement of retained earnings, but does require a statement of changes in equity. Required components include <sup>4</sup> : i) net profit/loss ii) other gains and losses (includes fair value gains and losses recognized on Property, Plant & Equipment and on Investment Properties)  iii) impact of changes in accounting policy and correction of errors iv) transactions with owners v) reconciliation of opening and closing balances
<b>C. The Balance Sheet<sup>5</sup></b>	
Balance sheet is classified between current and non-current items.	An unclassified balance sheet based on the order of liquidity is acceptable only when it provides reliable and more relevant information.
<i>Property, Plant &amp; Equipment</i>	
Depreciation of an asset is based on the greater of (1) its cost less its residual value over its estimated useful life; and (2) its cost less its salvage value over its estimated life.  Plant and equipment may not be re-valued to fair value.	Depreciation of an asset is based on its cost less its residual value over its estimated useful life.  Property, plant and equipment may be re-valued to fair value if fair value can be measured reliably. All items in the same class are re-valued at the same time and revaluations must be kept up to date.

<sup>2</sup>IFRS Compared to Canadian GAAP: An Overview, Fall 2007. KPMG.

<sup>3</sup> The CICA's Guide to IFRS in Canada

<sup>4</sup> PWC.com – Corporate Reporting, Statement of Changes in Equity

<sup>5</sup> IFRS Compared to Canadian GAAP: An Overview, Fall 2007. KPMG.

<b>Canadian GAAP</b>	<b>IFRS (Int'l Financial Reporting Standards)</b>
<i>Intangible Assets</i>	
Intangible assets may not be re-valued to fair value.	Intangible assets may be re-valued to fair value if there is an active market.
<b>D. The Income Statement</b>	
<i>Revenue Recognition: Service Contracts</i>	
Revenues for service contracts can be recognized by using the completed contract method or the percentage of completion method.	Revenue is recognized based on the percentage of completion of the contract.