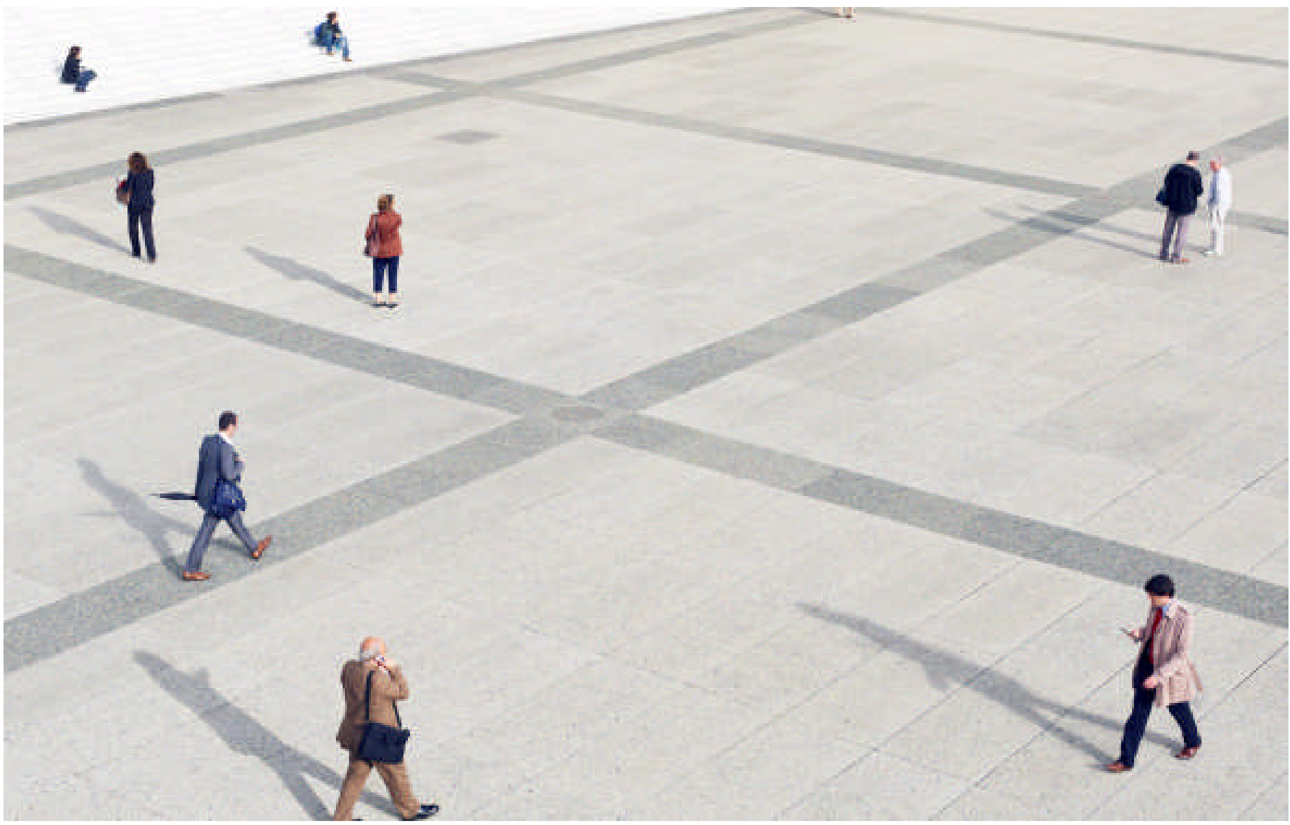
Updated

Overview of new IFRSs for 2013 including guidance and illustrative examples to assist in the adoption of the new standards

Interim Reporting for New or Amended IFRSs Effective in 2013



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To our Clients and Friends

For Canadian public entities, 2013 will be the first year that entities will be adopting a significant round of changes to IFRSs since adopting IFRS in 2011. New standards become effective for consolidation of subsidiaries, accounting for joint arrangements, disclosures about interests in other entities, and measurement and disclosures about fair values. In addition, amendments have been made to several standards including the accounting for employee benefits and presentation of comprehensive income. Complying with the requirements for reporting these changes in interim financial statements is proving to be deceptively challenging.

PwC is pleased to provide this publication to assist Canadian public entities in meeting some of the reporting challenges in the first quarter of the current year.

This publication is intended to assist you with some of the key considerations when you report the impact of the adoption of the new and revised accounting standards and highlights some key points about the new offsetting and fair value disclosures. We have provided a comprehensive example of a note to explain the nature and extent of several of the accounting changes and an example of the new format required for the statement of comprehensive income.

We hope that you will find this information and our insights helpful when you are applying the new and revised standards for the first time. There are and will be many issues related to the implementation of these new and revised standards. PwC is ready to help you understand these new requirements and discuss any issues with you. If you have any questions about this publication or the implementation of the new and revised standards, please do not hesitate to contact your local PwC representative or office.

The publication has been updated for recent developments affecting requirements for providing an opening comparative balance sheet and offsetting disclosures.

PricewaterhouseCoopers LLP

March 27, 2013

Contents

Introduction

A significant number of new or amended International Financial Reporting Standards ("IFRS") become effective in the first quarter of 2013. Canadian public entities will have to disclose the nature and effect of the one-time changes to their statements resulting from adopting new standards such as IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, and IAS 19, *Employee Benefits*. Some ongoing interim disclosures required by IAS 34, *Interim Financial Reporting*, have been expanded. Entities will now have to provide substantially the same disclosures about the fair value of financial instruments in interim financial statements that they will provide in annual financial statements, as well as new disclosures for offsetting of financial instruments. There are new disclosures for offsetting arrangements too.

The purpose of this publication

In this publication, we:

- Identify the new or amended standards that entities will have to consider;
- Address significant questions that have arisen about reporting their adoption in 2013 interim financial statements and Management's Discussion & Analysis ("MD&A"); and
- For some of the more significant of the new or amended standards, provide illustrative examples of the disclosures that an entity might provide about them in 2013 interim financial statements. The examples distinguish between minimum IFRS interim reporting requirements and supplementary information that entities may consider providing to assist readers in understanding the nature and effect of the changes.

Because of their special nature, illustrative disclosures about the fair values in interim financial statements are the subject of a separate publication.

Unless otherwise noted, this publication assumes an entity is preparing a first quarter interim report for the three months ended March 31, 2013, and that its financial statements for this period consist of statements of financial position as at March 31, 2013 and December 31, 2012, and statements of profit and loss, comprehensive income, equity and cash flows for the three months ended March 31, 2013 and 2012. As we discuss later, in some cases it may be also necessary to include a statement of financial position as at January 1, 2012. This publication further assumes that an entity is preparing condensed interim financial statements in accordance with IAS 34, as will usually be the case, rather than a complete set of interim financial statements that provide the detailed disclosures typically found in annual financial statements.

In general, the same reporting issues that we discuss in the context of the first quarter will also exist for subsequent quarters of 2013 and thus this publication will be a useful tool in preparing financial statements for these interim periods as well.

Caution

This publication provides guidance only about the reporting requirements for new or amended standards in interim financial statements. It does not address other aspects of these standards, such as their recognition and measurement requirements, industry specific matters such as those related to IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, or issues related to offering documents and US SEC filings. It is not intended to be, nor can it be, a substitute for the standards themselves or the application of professional judgement.

New or amended standards effective in 2013

IFRS 7	Financial Instruments: Disclosures (amendment affecting offsetting disclosure)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	Presentation of Financial Statements (amendments affecting comparative financial statements* and the presentation of items of other comprehensive income**)
IAS 16	Property, Plant and Equipment (amendment affecting the classification of items between inventories and property, plant and equipment*)
IAS 19R	Employee Benefits (amendments affecting recognition of actuarial gains and losses, effect of the ceiling test, actual return on plan assets, net interest on the net defined benefit liability (asset), past service costs, curtailments, long-term employee benefits and termination benefits)
IAS 28R	Investments in Associates and Joint Ventures (amendments to address joint ventures and downstream and upstream transactions)
IAS 32	Financial Instruments: Presentation (amendment clarifying the income tax treatment of distribution and transaction costs*)
IAS 34	Interim Financial Reporting (amendments to establish criteria for disclosing total segmented assets* and require certain fair value disclosures)
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
Generally Not Relevant to Canadian Public Entities	
IFRS 1	First Time Adoption of IFRS (amendments affecting government loans and borrowing costs*)
IAS 27	Separate Financial Statements

* Part of 2011 Annual Improvements.

** Effective for years beginning on or after July 1, 2012.

Interim reporting requirements relating to the new or amended standards

Disclosing the nature and effect of policy changes

1. What disclosures must an entity provide about its adoption of the new or amended standards in its 2013 interim financial statements?

IAS 34.16A(a) requires entities to describe the nature and effect of changes in accounting policies arising from the adoption of new or amended IFRS, generally in the notes to the interim financial statements. The standard does not specify exactly what information an entity should disclose but IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, paragraph 28, provides the following guidance.

IAS 8 Disclosure Requirements for the Initial Adoption of an IFRS, paragraph 28

When initial application of an IFRS has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

(a) The title of the IFRS;
(b) When applicable, that the change in accounting policy is made in accordance with its transitional provisions;
(c) The nature of the change in accounting policy;
(d) When applicable, a description of the transitional provisions;
(e) When applicable, the transitional provisions that might have an effect on future periods;
(f) For the current period and each prior period presented, to the extent practicable*, the amount of the adjustment: (i) for each financial statement line affected and (ii) if IAS 33, *Earnings per Share*, applies to the entity, for basic and diluted earnings per share;
(g) The amount of the adjustment relating to periods before those presented, to the extent practicable; and
(h) If retrospective application required by paragraph 19(a) or (b) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

* See IAS 8.5 for the criteria that must be met to determine that a requirement is impracticable.

2. If an entity adopts a new or amended standard in 2013, does the entity have to disclose the amount of the adjustments to the financial statements for the current period as well as for the comparative period?

Disclosure of current period effects is required pursuant to IAS 8.28(f), except for IFRS 10 and IFRS 11, where such disclosure is optional. In effect, IAS 8.28(f) requires disclosure of what would have been reported if the change in policy had not been made. We expect that the entities that will be most affected by this requirement are those having material changes relating to IAS 19R.

3. **Do the transitional provisions of any the new or amended standards require disclosures in addition to those required by IAS 8.28?**

IFRS 11 requires the following additional disclosures:

Additional Transition Disclosures for IFRS 11, Joint Arrangements	
C5.	An entity shall disclose a breakdown of the assets and liabilities that have been aggregated into the single line investment balance as at the beginning of the immediately preceding period. That disclosure shall be prepared in an aggregated manner for all joint ventures for which an entity applies the transition requirements referred to in paragraphs C2–C6.
C10.	An entity changing from the equity method to accounting for assets and liabilities shall provide a reconciliation between the investment derecognised, and the assets and liabilities recognised, together with any remaining difference adjusted against retained earnings, at the beginning of the immediately preceding period.

4. **Is an entity required to disclose the significant judgements and assumptions it made in applying the new or amended standards in the interim financial statements for the year in which it first applies the standards?**

No. However, disclosing significant judgements and assumptions may be helpful to a reader in understanding the nature and effects of the standards. Disclosure of significant judgements and assumptions is necessary in 2013 annual financial statements.

5. **Does National Instrument 51-102, *Continuous Disclosure Obligations* ("NI 51-102") issued by the Canadian Securities Administrators ("the CSA") require disclosure about the nature and impact of new or amended standards adopted in 2013 in interim MD&A?**

Generally, no.

Providing an opening comparative statement of financial position

6. **NI 51-102 4.3(2)(d) requires an entity to include a statement of financial position as of the beginning of the immediately preceding comparative period in its interim financial statements whenever the entity applies an accounting policy retrospectively, restates its financial statements (i.e., corrects an error) or reclassifies an item in its financial statements (for an entity with a calendar year end preparing 2013 interim financial statements, that statement would be as at January 1, 2012). Is this statement necessary if the changes to the opening balance sheet resulting from adoption of the new standards are not material or if, as in the case of IFRS 10 and IFRS 11, and in some cases depending on the entity's circumstances and elections, IAS 19R, the transitional provisions of the new standards do not require full retrospective application?*** The response has been revised to reflect recent developments.

Our understanding is that entities are not required to provide an opening statement of financial position if any changes to that statement are not material. Entities should consult with their professional advisors if they are planning on not presenting an opening statement solely on the grounds that the standards adopted do not require full retrospective application and thus do not fall within the scope of the NI 51-102 requirement.

7. **If an entity provides an opening comparative statement of financial position in its 2013 interim financial statements, can it dispense with providing accompanying notes?**

While the matter is not entirely clear, we believe that an entity can dispense with providing notes.

Adjusting comparative financial information

8. In its interim MD&A filings for 2013, an entity will have to provide comparative quarterly financial information about 2011. Is it also necessary to adjust this quarterly information for the new or amended standards?

We understand that Canadian Securities Administrators will not require companies to adjust comparative financial information for 2011 periods. If comparative information is not adjusted, it will be necessary to disclose this fact and the basis that has been applied.

Materiality

9. Should decisions about whether information is material enough to warrant disclosure in the first quarter 2013 interim statements be based on the financial position and results for the interim period, or can the entity make these decisions based on information expected for the full year?

IAS 34.23 states that assessments as to the materiality of new or amended standards for disclosure purposes should be made in relation to the interim period rather than expected annual information. Both qualitative and quantitative factors should be considered in this assessment.

If an entity's financial statements have been significantly affected by the adoption of the new or amended standards, the entity should assess whether more or less information needs to be provided in the notes to the 2013 interim financial statements. For example, an entity may have determined that providing the breakdown of property, plant and equipment was not necessary in its 2012 interim financial statements. If property, plant and equipment balance has changed significantly as a result of adoption of IFRS 10 or IFRS 11, however, providing the breakdown in 2013 interim financial statements may be appropriate. The opposite may also be true; notes made in interim statements in 2012 may no longer be sufficiently important to justify their continuation.

Providing prior year disclosures required by the new IFRS

10. Should an entity always include in its 2013 interim financial statements, the disclosures the entity would have provided in respect of the new or amended standards in its 2012 annual financial statements had the standards been effective at that time?* The response has been revised to reflect recent developments.

This question arises because interim financial statements are supposed to update disclosures provided in the previous annual financial statements for significant events and transactions. For the new or amended standards, however, users of financial statements do not have access to such annual disclosures. The CICA IFRS Discussion Group discussed this question in the context of IFRS 12, *Disclosure of Interests in Other Entities* at its January meeting, and participants agreed that IAS 34 does not require such disclosures. We agree with this conclusion.

Repeating information about accounting changes in the second and third quarter

11. Is it necessary to repeat disclosures made about the adoption of the new or amended standards in the first quarter of 2013 in the second or third quarters?

Our view is that interim financial statements for these quarters should either include the disclosures made in the first quarter or, to the extent that disclosures merely repeat information already disclosed in the first quarter interim financial statements, include a cross reference to the applicable disclosure in the first quarter interim financial statements. However, we expect that in most cases it will be easier to repeat information in subsequent interim financial statements than to refer to it.

New disclosures in interim financial statements

12. What new disclosures does IFRS require in 2013 interim financial statements?

There are two new disclosure requirements:

- IAS 34.16(j) requires additional disclosures about the fair value of financial instruments; and
- The transitional provisions of IFRS 7 state that new disclosures about offsetting financial assets and financial liabilities effective for years beginning on or after January 1, 2013 are effective for both annual and interim periods.

We discuss each of these new requirements below.

Fair value of financial instruments

13. What fair value information for financial instruments should entities be disclosing in interim financial statements pursuant to IAS 34.16A(j)?

IAS 34.16A(j) requires entities to make most of the disclosures about the fair value of financial instruments in their 2013 interim financial statements that they will make in their 2013 annual financial statements. This includes disclosures about the fair value of financial assets and financial liabilities not measured at fair value in the statement of financial position (e.g., long-term debt carried at amortized cost).

New Fair Value Financial Instrument Disclosures – paragraph 16A(j)
For financial instruments, entities must provide the disclosures about fair value required by paragraphs 91-93(h), 94-96, 98 and 99 of IFRS 13, *Fair Value Measurement* and paragraphs 25, 26 and 28-30 of IFRS 7 *Financial Instruments: Disclosures*.

14. The Basis of Conclusions to IFRS 13 implies that an entity should provide all of IFRS 13 disclosures in interim financial statements that are required in annual financial statements. This would result in the entity providing more information than IAS 34.16(j) requires. For example, it would be necessary to make disclosures about the fair value of non-financial assets and liabilities measured at fair value. Is this necessary?

At the January meeting of the CICA IFRS Discussion Group, participants agreed that the minimum interim reporting requirement is to provide only the fair value disclosures required by IAS 34.16(j), not all of the disclosures required by IFRS 13. We agree with this conclusion.

15. In providing fair value disclosures for financial instruments in 2013 interim statements, can an entity simply update the disclosures it made in its 2012 annual financial statements for changes in the fair value of financial instruments since the year end, assuming no changes in circumstances?

Generally, yes. The basic structure of the revised requirements remains the same. In particular, companies are still required to disclose:

- The fair value of financial instruments by class compared to the carrying amounts;
- A fair value hierarchy table classifying fair value measurements into Levels 1, 2 and 3; and
- Additional information for Level 3 measurements including a roll forward from the beginning to the end of the period.

Also, the new requirements carry forward the exemption under which companies are not required to disclose the fair value of financial instruments where the carrying value is a reasonable approximation of the fair value, such as short-term trade receivables and payables.

However, new requirements affecting interim disclosures have been introduced (see the following question). In general, the most significant ones are:

- Companies are required to “stand back” and assess whether the compliance with minimum requirements provides sufficient disclosure;
- Additional criteria have been established for identifying classes of financial assets and liabilities; and
- Even more information is required for Level 3 measurements.

16. What are the changes to 2013 requirements for disclosing the fair value of financial instruments?

In 2012, financial instrument disclosure requirements were included in IFRS 7. Effective for 2013, some of these requirements were transferred to IFRS 13 and expanded to apply to both financial and non-financial assets and liabilities. In addition, as mentioned above, certain additional disclosures are now necessary. The following table summarizes these changes.

Fair Value Financial Instrument Disclosures: A Summary of the Major Changes

(* indicates disclosures required in annual financial statements only)

Criteria for grouping assets and liabilities into classes revised

- Groupings of items into classes must be based on the risks of the asset or liability and the level of the fair value hierarchy within which the fair value measurement is categorized, in addition to the nature and characteristics of an item.

Overarching disclosure objective introduced

- Entities must stand back and assess whether compliance with the minimum requirements is sufficient to meet the objective of helping users of financial statements to assess valuation techniques and inputs used to determine fair value and impact on profit and loss of “unobservable inputs” used in valuations. If not, additional disclosure is necessary.

New disclosures for assets and liabilities measured at fair value in the statement of financial position at each reporting date added

- Fair value information about financial assets and liabilities split between recurring (e.g., derivatives) and non-recurring measurements (e.g., assets written down to fair value).
- Quantitative information about significant unobservable inputs, unless the inputs were not developed by the entity (i.e., such disclosure is not necessary when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.
- A narrative description of the sensitivity of fair value measurement to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower measurement.*
- The line items in the statement of profit and loss where unrealized gains and losses on recurring fair value measurements categorized as Level 3 are recognized.
- The specific line items affected when gains and losses included in other comprehensive income arise from recurring fair value measurements and those measurements are classified as Level 3 in the fair value hierarchy.
- The entity’s policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred.
- For assets and liabilities held at the end of the reporting period, all transfers of instruments between Level 1 and Level 2 of the fair value hierarchy, not just significant ones.
- Any transfers in and out of Level 3 during the period, not just significant ones.
- For fair value measurements categorized in Level 3, a description of the valuation processes used by the entity.

Fair Value Financial Instrument Disclosures: A Summary of the Major Changes

(* indicates disclosures required in annual financial statements only)

- For a liability measured at fair value and issued with an inseparable third-party credit enhancement, the existence of the enhancement and whether it is reflected in the fair value of the liability.

Other new disclosures added

- For assets and liabilities not measured at fair value but whose fair value is disclosed in the notes, their classification in the fair value hierarchy.*
- In cases where an entity did not recognize a gain or loss on initial recognition of a financial asset or liability, why the entity concluded that the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value.

Note: This table does not describe new disclosures required in the annual financial statements for non-financial assets and liabilities measured at fair value.

17. Has the IASB provided illustrative examples of the revised fair value disclosures?

Yes. These examples can be found in paragraphs IE60-IE66 of the Illustrative Examples to IFRS 13, as published by the IASB. Illustrative examples accompany, but are not part of, IFRS 13 and, therefore, are not part of the CICA Handbook-Accounting.

18. IFRS 13 requires an entity to describe the valuation processes it used in measuring assets and liabilities categorized within Level 3. What are some examples of the disclosure that the entity might make?

Example 18 of IFRS 13.IE65 states that an entity might disclose the following:

- The group that decides the entity's valuation policies and procedures;
- The frequency and methods for calibration, back testing and other testing procedures of pricing models;
- The process for analyzing changes in fair value;
- How the entity determined that third party information used in fair value measurement was developed in accordance with IFRS; and
- The methods used to develop and substantiate any unobservable inputs used.

19. One of the most challenging aspects of the new financial instrument disclosures is the requirement to provide quantitative information about significant "unobservable inputs" for Level 3 fair value measurements. What information about significant unobservable inputs must the entity disclose?

IFRS 13 does not provide specific guidance on what quantitative information is required; however, an example of what a reporting entity may consider disclosing is included in IFRS 13.IE63, Example 17. The overarching objective is to provide enough information for users to assess whether the entity's views about individual inputs differ from their own.

20. Under the fair value disclosure requirements, an entity must reconcile the opening balances to the closing balances for Level 3 measurements. For interim statements, should the opening balance sheet date be the beginning of the year, or the beginning of the interim period?

IAS 34 states that the information should normally be reported on a financial year-to-date basis.

Offsetting financial assets and liabilities

21. IFRS 7, *Financial Instruments: Disclosures*, paragraph 44R states that the entity shall apply the new disclosure requirements in the standard about offsetting of financial assets and liabilities in interim periods beginning on or after 1 January 2013. However, IAS 34 does not identify these disclosures as a minimum disclosure requirement. Is disclosure therefore necessary?* The response has been revised to reflect recent developments.

We are aware of differing views on this issue. The matter has been referred to the IFRS Interpretations Committee ("IFRIC") for discussion at its March meeting. At that meeting, the IFRIC was unable to provide an interpretation of the matter and requested the staff to consult with the IASB in order to determine what the IASB's intention was and report back at a future meeting. Some consider that the disclosures should be provided in the year of adoption, others feel that because IAS 34 was not amended, the disclosures are not required. Until the IASB or the IFRIC clarifies this issue in an authoritative manner, we believe there will be diversity in practice as to whether the IFRS 7 offsetting disclosures are provided in the interim financial statements.

22. Could the new offsetting disclosure requirements affect entities that are not financial institutions?

Yes. While offsetting of financial assets and liabilities is most common in financial institutions, the requirements also apply any time a master netting arrangement or other similar arrangement exists.

23. What types of agreements could potentially include master netting arrangements?

Examples include but are not limited to:

- A loan agreement that requires a borrower to simultaneously enter into an interest rate swap or other derivative instrument with the same counterparty
- Derivative assets and liabilities subject to ISDA agreements
- Certain commodity contracts
- Generally, receivables and payables with the same counterparty

Whether a master netting arrangement exists in a particular situation depends upon specific facts and circumstances.

New Offsetting Disclosures – IFRS 7, *Financial Instruments: Disclosure*, paragraph 30

13A. The disclosures in paragraphs 13B–13E supplement the other disclosure requirements of this IFRS and are required for all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. These disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with paragraph 42 of IAS 32.

13B. An entity shall disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. This includes the effect or potential effect of rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A.

13C. To meet the objective in paragraph 13B, an entity shall disclose, at the end of the reporting period, the following quantitative information separately for recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A:

(a) the gross amounts of those recognised financial assets and recognised financial liabilities;
(b) the amounts that are set off in accordance with the criteria in paragraph 42 of IAS 32 when determining the net amounts presented in the statement of financial position;
(c) the net amounts presented in the statement of financial position;

New Offsetting Disclosures – IFRS 7, *Financial Instruments: Disclosure*, paragraph 30

(d) the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b), including:
  (i) amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of IAS 32; and
  (ii) amounts related to financial collateral (including cash collateral); and
(e) the net amount after deducting the amounts in (d) from the amounts in (c) above.

The information required by this paragraph shall be presented in a tabular format, separately for financial assets and financial liabilities, unless another format is more appropriate.

13D. The total amount disclosed in accordance with paragraph 13C(d) for an instrument shall be limited to the amount in paragraph 13C(c) for that instrument.

13E. An entity shall include a description in the disclosures of the rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities subject to enforceable master netting arrangements and similar agreements that are disclosed in accordance with paragraph 13C(d), including the nature of those rights.

13F. If the information required by paragraphs 13B–13E is disclosed in more than one note to the financial statements, an entity shall cross-refer between those notes.

24. Has the IASB provided illustrative examples of the new offsetting requirements?

Yes. The examples illustrating ways in which an entity might provide the quantitative disclosures required by IFRS 7.13(c) can be found in paragraph IG40D of the *Guidance on Implementing IFRS 7*, as published by the IASB. Illustrative examples are provided in the *Guidance on Implementing IFRS 7*. This guidance accompanies, but is not part of, IFRS 7 and, therefore, is not part of the CICA Handbook-Accounting.

Illustrative examples

Notes for accounting changes

This section gives examples of the disclosures required to explain the adoption of IFRS 10, 11 and 13, IAS 28R, IAS 1 and IAS 19R. We have shown different scenarios for each of IFRS 10 and 11. The IFRS 10 possible scenarios include: no change in consolidation status; consolidation of an investee; and deconsolidation of an investee. The IFRS 11 possible scenarios are: no change resulting from classification of joint arrangements; change to the equity method of accounting from proportionate consolidation; and change to recognition of share of assets, liabiliites, revenues and expenses of a joint operation from the equity method of accounting. Each of these scenarios are presented as a standalone change. Companies may have other changes in accounting policies resulting from adopting other standards as outlined in the section *New or amended standards effective in 2013*. Similar notes explaining the nature and extent of those accounting changes are required if the changes are material.

The requirements for disclosures about accounting changes are outlined above under Questions 1 to 5. IAS 34 and IAS 8 do not specify any format for the disclosures of the extent of the change (that is the adjustments to each financial statement line item). However, IFRS 11 does specify certain requirements for explaining the adjustments resulting from changes in accounting for joint arrangements. The examples below illustrate some different formats for disclosure of the adjustments for the respective accounting change in accounting standards. There may be others formats, including those not using tables, to explain the extent of the adjustments. An alternative format of presenting all of the adjustments for the three standards is a reconciliation of the financial statements as presented in Appendix A.

While each of the examples illustrates only one circumstance, some companies may have more than one circumstance that results from a change in accounting policy. For example, when adopting IFRS 10, a company may have to consolidate more than one investee. In such cases, the adjustments may be aggregated.

The following examples include certain optional disclosures which are not required by IAS 34, but which may be beneficial in explaining the extent of the adjustments. For example, we have included the impact of the changes of IFRS 10 and 11 on the statements of comprehensive income and cash flows for the current period which are specifically exempted in the transitional requirements of IFRS 10 and 11. Our example includes disclosure of the facts and circumstances affecting the judgements made in applying the new standards which is not required under IAS 34. Companies may also want to consider whether it would be beneficial to explain the impact of the accounting changes for the immediately preceding year in the interim financial report, in supplemental disclosures or the MD&A. Any optional disclosures presented in our examples have been highlighted in this colour.

Our example is limited to the accounting policy note. As explained in Question 9, a company should assess the materiality of new or amended standards for disclosure purposes. For purposes for the following illustrative note, we have assumed that the disclosures were considered to be material. Further a company should review the other notes to the condensed consolidated financial statements to determine if further information is required. Our example does not include additional notes, if any, that may be considered relevant.

Illustrative note

Introduction to accounting policies

Introduction to changes in accounting policies

Basis of presentation
These condensed consolidated interim financial statements have been prepared in accordance with IFRS, as applicable to interim financial reports including IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the annual financial statements for the year ended December 31, 2012 which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

Accounting policies
The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year, except as described below.

Changes in accounting policies
The company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10, Consolidated Financial Statements

Introduction

IFRS 10, *Consolidated Financial Statements*, replaces the guidance on control and consolidation in IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27.

Commentary
The extent of disclosure on nature of the changes resulting from IFRS 10 will depend on the facts and circumstances affecting a company and the disclosures about the company's consolidation accounting policy in its annual financial statements for the most recently completed financial year.

No change in consolidation status

The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

Commentary
IAS 34 requires explanation of the policies and methods that have changed. While the adoption of IFRS 10 did not have any impact in this scenario, the above disclosure acknowledges that the Company has adopted IFRS 10 and re-assessed its control conclusions using the new criteria.

Consolidation status changed and consolidation required

Commentary
This example presents a scenario where a company is required to consolidate its interests in another entity which had previously been accounted for using the equity method of accounting. The Company acquired its 47.4% interest in a real estate limited partnerships on July 1. 2010. The remaining interests in the limited partnership are widely held and dispersed. The limited partnership which owns over 280 different properties and manages other properties is considered to be a business. The application of IFRS 10 resulted in the Company concluding it had de facto control of the limited partnership.

The Company has re-assessed its consolidation conclusions at January 1, 2013 and concluded that it has had control over CIP LP since the acquisition of its initial ownership interests on July 1, 2010 and CIP LP should be consolidated. The Company's 47.4% ownership interest in CIP LP was previously accounted for as an associate using the equity method of accounting.

While the Company owns less than 50% of the voting rights of CIP LP, the Company determined that it had de facto control since its acquisition of CIP LP. The factors considered by the Company included the size of its block of voting shares, the relative size and dispersion of holdings by other shareholders, the Company's rights to have a majority of board members on the board nomination committee and the sharing of key management positions between the Company and CIP LP.

Commentary
The above paragraph outlines the facts and circumstances considered by the Company in applying its judgement in reaching the conclusion that the Company has de facto control and should consolidate CIP LP. The disclosure of significant judgements is not required under IAS 34, but may be helpful in understanding the new consolidation conclusions. Disclosures about significant judgements are required by IFRS 12 and IAS 1 in the annual financial statements.

The Company has accounted for this change in accounting policy using the relevant transitional provisions of IFRS 10 by accounting for its initial acquisition of CIP LP using IFRS 3 (Revised 2008), *Business Combinations*, as at the acquisition date and consolidating CIP LP since the acquisition date. The adjustments for each financial statement line item affected are presented in the table below.

Commentary

This example assumes that the application of IFRS 10 does not have any effect on equity attributable to shareholders of the parent at the beginning of the immediately preceding year. There may be situations where there is an impact on equity attributable to shareholders of the parent that had not previously been recognized using the equity method of accounting. For example, this may occur if IFRS 3 (Revised 2008) is used to account for an investment acquired before the effective date of IFRS 3 (Revised 2008), there was bargain purchase gain on the acquisition, if the deferred tax assets or liabilities change (IAS 12.38 to .45) or it is impracticable to measure assets, liabilities and non-controlling interests.

The tables below do not include any deferred tax adjustments as the investee is a limited partnership and the deferred tax consequences have already been reflected when the equity method of accounting was used to account for the investment.

*The tables below include the adjustments for the quarter ended March 31, 2013. This information may be helpful to users to illustrate the impact of consolidating an additional entity. This disclosure **is not required** as IFRS 10.C2 provides a specific exemption which allows companies to exclude disclosure of the adjustments for the current period.*

Adjustments to condensed consolidated balance sheet

		March 31, 2013		December 31, 2012		January 1, 2012
Equity before accounting change	$	8,386.0	$	8,188.4	$	7,471.0
Increase in:						
Cash and cash equivalents		180.7		–		11.4
Trade and other receivables		59.8		57.0		44.9
Other current assets		38.2		13.7		12.0
Noncurrent financial assets		7.9		22.0		22.3
Investment properties		4,421.1		4,185.7		3,794.9
Intangible assets		55.4		57.2		57.4
Goodwill		1.7		1.7		1.7
Other noncurrent assets		104.8		82.7		72.9
Trade and other payables		(150.5)		(141.3)		(129.5)
Current portion of long-term debt		(133.3)		(67.2)		(219.5)
Long-term debt		(2,039.1)		(2,120.2)		(1,848.1)
Other noncurrent liabilities		(12.7)		(12.7)		(13.1)
Decrease in:						
Investments accounted for using the equity method		(1,202.4)		(986.6)		(857.9)
		1,331.6		1,092.0		949.3
Equity after accounting change	**$**	**9,717.6**	**$**	**9,280.4**	**$**	**8,420.3**
Equity after accounting change attributable to:						
Shareholders of parent	$	7,809.2	$	7,611.8	$	6,892.9
Non-controlling interest		1,908.4		1,668.6		1,527.4
	$	**9,717.6**	**$**	**9,280.4**	**$**	**8,420.3**

Adjustments to condensed consolidated income statement

		Quarter ended March 31, 2013		Quarter ended March 31, 2012
Net income before accounting change	$	241.8	$	124.3
Increase in:				
Revenue		84.8		78.3
Net gain from fair value adjustment on investment property		195.3		81.6
Property operating costs		(46.9)		(43.9)
Selling and administrative costs		(7.9)		(7.0)
Finance costs		(34.5)		(33.6)
Decrease in:				
Cost of sales		44.2		43.3
Equity income from associates and joint ventures		(111.4)		(56.2)
Increase in net income		123.6		62.5
Net income after accounting change	**$**	**365.4**	**$**	**186.8**
Earnings per share after accounting change				
Basic	$	1.79	$	0.86
Diluted	$	1.78	$	0.86
Increase in net income attributable to:				
Owners of parent	$	–	$	–
Non-controlling interests		123.6		62.5
	$	**123.6**	**$**	**62.5**

Adjustments to condensed consolidated statement of comprehensive income

		Quarter ended March 31, 2013		Quarter ended March 31, 2012
Comprehensive income before accounting change	$	249.1	$	126.6
Increase in:				
Net income		123.6		62.5
Cash flow hedges		0.7		(1.0)
Decrease in:				
Share of other comprehensive income of associates and joint ventures		(0.7)		1.0
Comprehensive income after accounting change		123.6		62.5
	$	**372.7**	**$**	**189.1**
Increase attributable to:				
Shareholders of parent	$	–	$	–
Non-controlling interest		123.6		62.5
	$	**123.6**	**$**	**62.5**

Adjustments to condensed consolidated statement of cash flows

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
Cash flows from operating activities		
Before accounting change	$ 497.8	$ 482.5
After accounting change	540.7	552.8
Increase in cash generated	42.9	70.3
Cash flows from investing activities		
Before accounting change	(424.0)	(220.1)
After accounting change	(339.0)	(235.4)
Increase in cash used	85.0	(15.3)
Cash flows from financing activities		
Before accounting change	(473.9)	(201.7)
After accounting change	(421.2)	(264.7)
Decrease in cash used	52.7	(63.0)
Net change in cash and cash equivalents		
Impact of accounting change	180.6	(8.0)
Net cash outflow before accounting change	(400.0)	60.7
Net cash outflow after accounting change	(219.4)	52.7
Cash and cash equivalents		
Opening, before accounting change	761.7	901.4
Held by subsidiary	–	11.3
Opening, after accounting change	761.7	912.7
Closing, after accounting change	**$ 542.3**	**$ 965.4**

Consolidation status changed and de-consolidation of investee required

Commentary

This example presents a scenario where a company is required to deconsolidate its interests in another entity based on facts and circumstances that indicate that the company's economic interests did not result in the company having control. The Company held a 50.1% interest in an entity formed to manufacture supplies for the Company and three other companies. The Company is only permitted one representative on the board of directors and has no other rights conferring to it control over the investee.

The Company assessed its consolidation conclusions at January 1, 2013 and determined that it does not have control over and should not consolidate CanMan Company (CMC). The Company's 50.1% interest in CMC was previously consolidated following the guidance in SIC-12, *Consolidation – Special Purpose Entities*.

CMC was formed by four companies including the Company to manufacture supplies for the Company and the other investors. The key decisions about the relevant activities of CMC are made by the Board of Directors of CMC. Even though the Company has a 50.1% interest in the CMC, the Company only has the right to appoint one of the four directors of CMC. The Company does not have any other contractual rights or special relationships that give it power over the relevant activities of CMC.

> ***Commentary***
> *The above paragraph outlines the facts and circumstances considered by the Company in applying its judgements in reaching its conclusion that the Company does not have control even though it has 50.1% of the interests in the investee. The disclosure of these significant judgements is not required under IAS 34, but may be helpful in understanding the new consolidation conclusions. Disclosures about significant judgements are required by IFRS 12 and IAS 1 in the annual financial statements.*

The Company acquired its initial interest in CMC on July 1, 2010. The Company has accounted for this change in accounting policy using the relevant transitional provisions and derecognized the carrying amount of the assets, liabilities and non-controlling interests of CMC as at January 1, 2012 and recognized its investment in CMC using IAS 28, *Investments in Associates and Joint Ventures*, as at the date the Company acquired its interests in CMC. Subsequent to January 2, 2012, the Company accounted for its interests in CMC using the equity method of accounting. The adjustments for each financial statement line item affected are presented in the table below.

> ***Commentary***
> *When an investment is deconsolidated and accounted for using the equity method, there may be changes to deferred tax assets and liabilities to recognize the tax consequences of any taxable temporary differences between the carrying amount and tax basis of the investment. For purposes of our example, we assumed that the undistributed earnings will be subject to income taxes at the capital gains rate.*
>
> *The only adjustment to comprehensive income in our example is the decrease in net income. Accordingly, the adjustments for the condensed consolidated income statement and condensed consolidated statement of comprehensive income have been combined.*
>
> *The tables below include the adjustments for the quarter ended March 31, 2013. This information may be helpful to users to illustrate the impact of deconsolidating an entity previously consolidated. These* ***are not required*** *as IFRS 10.C2A provides a specific exemption requiring the details of the adjustments for the immediately preceding year only.*

Condensed consolidated balance sheet

	March 31, 2013		
	Before accounting change	Adjustments	After accounting change
Cash and cash equivalents	$ 361.6	$ (91.9)	$ 269.7
Trade and other receivables	1,652.1	(34.2)	1,617.9
Inventories	1,296.0	(75.0)	1,221.0
Investments accounted for using the equity method of accounting	1,521.5	450.1	1,971.6
Property, plant and equipment	6,095.0	(564.7)	5,530.3
Intangible assets	1,047.2	(166.2)	881.0
Goodwill	2,878.8	(70.0)	2,808.8
Trade and other payables	(3,783.4)	55.2	(3,728.2)
Current income tax payable	(27.9)	5.1	(22.8)
Long-term debt	(2,138.4)	19.5	(2,118.9)
Deferred income tax liabilities	(431.1)	(2.9)	(428.2)
Effect on net assets		**$ (475.0)**	
Shareholders' equity	$ (7,809.2)	$ 26.5	$ (7,782.7)
Non-controlling interest	(576.8)	448.5	(128.3)
Equity	**$ (8,386.0)**	**$ 475.0**	**$ (7,911.0)**

	December 31, 2012		
	Before accounting change	Adjustments	After accounting change
Cash and cash equivalents	$ 761.7	$ (89.4)	$ 672.3
Trade and other receivables	1,704.6	(39.8)	1,664.8
Inventories	1,262.1	(79.0)	1,183.1
Investments accounted for using the equity method of accounting	1,305.1	437.9	1,743.0
Property, plant and equipment	6,076.6	(564.7)	5,511.9
Intangible assets	1,053.1	(167.5)	885.6
Goodwill	2,841.4	(70.0)	2,771.4
Trade and other payables	(3,694.4)	85.2	(3,609.2)
Current income tax payable	(21.6)	6.0	(15.6)
Long-term debt	(2,101.3)	22.0	(2,079.3)
Deferred income tax liabilities	(440.1)	(2.1)	(442.2)
Effect on net assets		**$ (461.4)**	
Shareholders’ equity	$ (7,611.8)	$ 25.1	$ (7,586.7)
Non-controlling interest	(576.6)	436.3	(140.3)
Equity	**$ (8,188.4)**	**$ 461.4**	**$ (7,727.0)**

	January 1, 2012		
	Before accounting change	Adjustments	After accounting change
Cash and cash equivalents	$ 901.4	$ (72.2)	$ 829.2
Trade and other receivables	1,555.2	(9.8)	1,545.4
Inventories	1,230.9	(61.0)	1,169.9
Investments accounted for using the equity method	1,122.1	391.3	1,513.4
Property, plant and equipment	5,433.6	(511.5)	4,922.1
Intangible assets	1,024.4	(172.5)	851.9
Goodwill	2,662.3	(70.0)	2,592.3
Trade and other payables	(3,594.9)	49.1	(3,545.7)
Current income tax receivable	2.4	8.0	10.4
Long-term debt	(2,517.0)	38.0	(2,479.0)
Deferred income tax liabilities	(459.6)	2.2	(438.8)
Effect on net assets		**$ (408.4)**	
Shareholders’ equity	$ (6,892.9)	$ 18.6	$ (6,874.3)
Non-controlling interest	(578.1)	389.8	(188.2)
Equity	**$ (7,471.0)**	**$ 408.4**	**$ (7,062.6)**

Condensed consolidated income statement and statement of comprehensive income

	Quarter ended March 31, 2013		
	Before accounting change	Adjustments	After accounting change
Revenue	$ (5,620.8)	$ 68.5	$ (5,552.3)
Cost of sales	3,708.5	(34.8)	3,673.7
Selling and administrative costs	1,671.7	(3.7)	1,668.0
Finance income	–	–	–
Finance expenses	44.7	(0.4)	44.3
Equity income from associates and joint ventures	(129.3)	(12.2)	(141.5)
Income tax expense	77.3	(3.8)	73.6
Decrease in net income and comprehensive income		**$ 13.6**	
Decrease in net income and comprehensive income attributable to:			
Shareholders of the Company		$ 1.4	
Non-controlling interests		12.2	
		$ 13.6	

These adjustments reduced basic and diluted earnings per share by $0.01.

	Quarter ended March 31, 2012		
	Before accounting change	Adjustments	After accounting change
Revenue	$ (5,104.7)	$ 67.5	$ (5,037.2)
Cost of sales	3,321.8	(33.9)	3,287.9
Selling and administrative costs	1,625.1	(3.2)	1,621.9
Finance income	–	–	–
Finance expenses	50.5	(0.7)	49.8
Equity income from associates and joint ventures	(77.4)	(12.2)	(89.6)
Income tax expense	70.3	(3.3)	67.0
Decrease in net income and comprehensive income		**$ 14.1**	
Decrease in net income and comprehensive income attributable to:			
Owners of the Company		$ 1.9	
Non-controlling interests		12.2	
		$ 14.1	

These adjustments reduced basic and diluted earnings per share by $0.02.

Condensed consolidated statement of cash flows

	Quarter ended March 31, 2013		
	Before accounting change	Adjustments	After accounting change
Net cash flows generated from operating activities	$ 497.8	$ (5.4)	$ 492.4
Net cash flows used in investing activities	(424.0)	–	(424.0)
Net cash flows generated from financing activities	(473.9)	2.9	(471.0)
Change in cash and cash equivalents	(400.1)	(2.5)	(402.6)
Cash and cash equivalents, beginning of period	761.7	(89.4)	672.3
Cash and cash equivalents, end of period	**$ 361.6**	**$ (91.9)**	**$ 269.7**

	Quarter ended March 31, 2012		
	Before accounting change	Adjustments	After accounting change
Net cash flows generated from operating activities	$ 482.5	$ 13.4	$ 495.9
Net cash flows used in investing activities	(220.1)	15.3	(204.8)
Net cash flows generated from financing activities	(201.7)	3.2	(198.5)
Change in cash and cash equivalents	60.7	31.9	92.6
Cash and cash equivalents, beginning of period	901.4	(72.2)	829.2
Cash and cash equivalents, end of period	**$ 962.1**	**$ (40.3)**	**$ 921.8**

IFRS 11, Joint Arrangements
IAS 28R, Investments in Associates and Joint Ventures

Introduction

IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures,* and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures (amended in 2011)*. The other amendments to IAS 28 did not affect the Company.

Commentary

The extent of disclosure on nature of the changes resulting from IFRS 11 will depend on the facts and circumstances affecting a company and the disclosures about the company's accounting policy for joint arrangements in its annual financial statements for the most recently completed financial year.

No change resulting from classification of joint arrangements

The Company has classified its joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

Commentary

IAS 34 requires explanation of the policies and methods that have changed. The above disclosure acknowledges that the Company has adopted IFRS 11 by indicating that the Company has classified its joint arrangements in accordance with IFRS 11 and made its assessment as to whether these classifications resulted in any changes to amounts recognized in its financial statements.

IFRS 11 requires the entity's share of the assets, liabilities, revenues and expenses of a joint operation be reflected in the entity's financial statements. In certain cases, this may be different than the amounts reflected under proportionate consolidation. This example assumes there were no such differences.

Joint venture classification – change from proportionate consolidation to the equity method of accounting

Commentary

The example illustrates a joint arrangement being classified as a joint venture which requires the use of the equity method of accounting. The only impact of this classification is the change in the method of accounting from proportionate consolidation to the equity method of accounting.

The Company has reclassified its involvement with Can Supplies Limited (CSL) from a jointly controlled entity to a joint venture. The Company's interests in CSL were previously accounted for using the proportionate consolidation method and now are being accounted for using the equity method of accounting.

As a result of this change in accounting, the investment in CSL as at January 1, 2012 has been recognized at the net carrying amount of the assets and liabilities of CSL previously proportionately consolidated by the Company. The Company assessed whether the investment was impaired as at January 1, 2012 and determined no impairment existed. Subsequent to January 1, 2012, the Company has accounted for its investment using the equity method of accounting. The adjustments for each financial statement line item affected are presented in the tables below.

Commentary

IFRS 11.C5 requires transitional disclosure of the breakdown of the assets and liabilities that have been aggregated into the single line investment balance as at the beginning of the immediately preceding year. It may be helpful to explain the changes by using a similar format for all period-ends as presented in our example.

The only adjustment to comprehensive income in our example is the decrease in net income. Accordingly, the adjustments for the condensed consolidated income statement and condensed consolidated statement of comprehensive income have been combined.

Our example assumes that a deferred tax asset or liability was not required to be recognized as the joint venturer was able to control the timing of the distribution of its share of the profits and it was probable that its share of profits will not be distributed in the foreseeable future (as permitted under IAS 12.43). The change in accounting method would not change this conclusion.

The tables below include the adjustments for the quarter ended March 31, 2013. These are ***not required*** *as IFRS 11.C1B provides a specific exemption requiring the details of the adjustments for the immediately preceding year only.*

Adjustments to condensed consolidated balance sheet

	March 31, 2013	December 31, 2012	January 1, 2012
Equity before accounting change	$ 8,386.0	$ 8,188.4	$ 7,471.0
Decrease in:			
Cash and cash equivalents	(51.6)	(29.5)	(19.5)
Trade and other receivables	(75.3)	(92.8)	(55.9)
Inventories	(97.0)	(91.4)	(63.5)
Property, plant and equipment	(239.8)	(230.0)	(200.5)
Intangible assets	(45.8)	(45.4)	(44.2)
Trade and other payables	15.8	16.0	12.0
Current income tax payable	5.1	5.0	4.7
Current portion of long-term debt	27.7	27.6	27.4
Provisions, current	0.6	1.3	1.4
Long-term debt	154.0	161.0	137.7
Provisions, noncurrent	12.7	14.4	9.9
Increase in:			
Deferred income tax liabilities	(31.0)	(32.1)	–
Investments accounted for using the equity method	324.6	295.9	190.5
Net change	–	–	–
Equity after accounting change	**$ 8,386.0**	**$ 8,188.4**	**$ 7,471.0**

Adjustments to condensed consolidated income statement and statement of comprehensive income

	Quarter ended March 31, 2013		Quarter ended March 31, 2012	
Net income before accounting change	$	241.8	$	124.3
Decrease in:				
Revenue		(150.6)		(118.8)
Cost of sales		90.1		71.4
Selling and administrative expenses		10.4		10.4
Finance costs		10.5		11.2
Income tax expense		10.9		7.5
Increase in equity income from associates and joint ventures		28.7		18.3
Net change		–		0.0
Net income after accounting change	**$**	**241.8**	**$**	**124.3**
Net income attributable to:				
Owners of Company	$	225.6	$	108.2
Non-controlling interest		16.2		16.1
	$	**241.8**	**$**	**124.3**
Earnings per share after accounting change				
Basic	$	1.79	$	0.86
Diluted	$	1.79	$	0.86

Adjustments to condensed consolidated statement of cash flows

	Quarter ended March 31, 2013		Quarter ended March 31, 2012	
Net change in cash and cash equivalents before accounting change	$	(400.0)	$	60.7
Decrease in:				
Cash generated from operating activities		(52.5)		(38.9)
Cash used in investing activities		13.0		10.5
Cash used in financing activities		17.4		18.2
		(22.1)		(10.2)
Net change in cash and cash equivalents after accounting change		(422.1)		50.5
Cash and cash equivalents Beginning of period before accounting change		761.7		901.4
End of period after accounting change	**$**	**339.6**	**$**	**951.9**

Joint operation classification – change from equity method to share of assets, liabilities, revenue and expenses

Commentary

This example illustrates the scenario in which a joint arrangement involving an entity previously accounted for using the equity method is now classified as a joint operation requiring reporting of the company's share of assets, liabilities, revenues and expenses. The joint operation is carried out through an entity in which the venturers are required to take all of the output of the joint operations for their own use.

The Company has classified its involvement with Provincial Materials Company (PMC) as a joint operation. The Company's 40% interests in PMC were previously accounted for using the equity method of accounting.

PMC is jointly controlled by the Company and the other joint venturer. The Company considered the terms and conditions of the joint venture agreements and the design and purpose of the joint arrangement. Since the investors are required to take all of the output from PMC using a pricing structure to cover all of the joint operation's costs, the Company concluded that these circumstances support that the arrangement is a joint operation.

Commentary

The above paragraph outlines the facts and circumstances considered by the Company in applying its judgements in reaching its conclusion that the joint arrangement is a joint operation even though it is in a separate vehicle. The disclosure of these significant judgements is not required under IAS 34, but may be helpful in understanding the classification of the investee as a joint operations. Disclosures about significant judgements are required by IFRS 12 and IAS 1 in the annual financial statements.

As a result of the change in accounting, the Company now recognizes its share of assets, liabilities, revenues and expenses of PMC. This change in accounting was adopted as at January 1, 2012 by the Company derecognizing its investment in PMC and recognizing its share of assets and liabilities of PMC with the difference reflected as an adjustment to retained earnings. Subsequent to January 1, 2012, the Company has recognized its share of assets, liabilities, revenues and expenses of PMC.

The adjustments for each financial statement line item affected are presented in the tables below.

Commentary

IFRS 11.C10 requires transitional disclosure of the reconciliation between the investment recognized and the assets and liabilities recognized and adjustments to retained earnings as at January 1, 2012. It may be helpful to explain the changes by using a similar format for all period-ends as done in our example.

The only adjustment to comprehensive income in our example is the decrease in net income. Accordingly, the adjustments for the condensed consolidated income statement and condensed consolidated statement of comprehensive income have been combined.

Our example does not reflect any changes in deferred tax assets or liabilities at the parent company on the assumption the company had not recorded any deferred tax assets related to the temporary difference between the carrying amount of the investment and its tax basis.

The tables below include the adjustments for the quarter ended March 31, 2013. These are ***not required*** *as IFRS 11.C1B provides a specific exemption requiring the details of the adjustments for the immediately preceding year only.*

Adjustments to condensed consolidated balance sheet

	March 31, 2013	December 31, 2012	January 1, 2012
Increase in:			
Cash and cash equivalents	$ –	$ 0.7	$ 62.7
Trade and other receivables	8.7	8.6	1.6
Other current assets	0.3	0.4	–
Property, plant and equipment	58.9	65.3	9.3
Deferred income tax assets	3.7	2.0	0.6
Trade and other payables	(5.6)	(4.3)	(1.8)
Long-term debt	(61.6)	(61.7)	(54.5)
	4.4	11.0	17.9
Decrease in:			
Investment accounted for using the equity method	(9.1)	(14.0)	(18.0)
Decrease in net assets	**$ 4.7**	$ 3.0	**$ 0.1**
Allocated to opening retained earnings	$ 3.0	$ 0.1	$ 0.1
Allocated to net income	$ 1.7	$ 2.9	$ –

Adjustments to condensed consolidated income statement and statement of comprehensive income

		Quarter ended March 31, 2013		Quarter ended March 31, 2012
Increase in:				
Cost of sales	$	5.5	$	0.6
Selling and administrative expenses		0.4		0.4
Finance expenses		2.5		0.7
Decrease in:				
Equity income from associates and joint ventures		(4.9)		(1.3)
Income taxes		(1.8)		(0.4)
Impact on earnings per share:				
Basic	$	0.01	$	–
Diluted	$	0.01	$	–

Adjustments to condensed consolidated statement of cash flows

		Quarter ended March 31, 2013		Quarter ended March 31, 2012
Decrease in:				
Cash generated by operating activities	$	–	$	(1.3)
Cash used in financing activities		–		–
Increase in:				
Cash generated by operating activities		0.2		–
Cash used in investing activities				(27.5)
Cash used in financing activities		(0.9)		(0.8)
Net change in cash and cash equivalents	**$**	**(0.7)**	**$**	**(29.6)**

IFRS 13, Fair Value Measurement

Introduction

IFRS 13, *Fair value measurement,* provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

Commentary

For many companies, the adoption of IFRS 13 is not expected to result in any measurement changes as at the adoption date. However, there may be changes for some companies which would require disclosures about the extent of adjustments as required under IAS 34 and IAS 8.

IFRS 13 made consequential amendments to IAS 34 which now requires certain fair value disclosures for financial instruments. See Questions 13 to 20.

IAS 1 Amendment, Presentation of Items of Other Comprehensive Income

Change in presentation

The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

Commentary
An example of the revised presentation for the statement of comprehensive income is included below under the heading Revised format for statement of comprehensive income.

IAS 19R, Employee Benefits

Introduction

IAS 19, *Employee Benefits* (amended in 2011), amends certain accounting requirements for defined benefit plans and termination benefits.

IAS 19 (Revised 2011) requires the net defined benefit liability (asset) to be recognized on the balance sheet without any deferral of actuarial gains and losses and past service costs as previously allowed. Past service costs are recognized in net income when incurred. Expected returns on plan assets are no longer included in post-employment benefits' expense. Instead, post-employment benefits' expense includes the net interest on the net defined benefit liability (asset) calculated using a discount rate based on market yields on high quality bonds. Remeasurements consisting of actuarial gains and losses, the actual return on plan assets (excluding the net interest component) and any change in the asset ceiling are recognized in other comprehensive income. The Company continues to immediately recognize in retained earnings all pension adjustments recognized in other comprehensive income. The Company also continues to recognize interest expense (income) on net post-employment benefits liabilities (assets) in finance expense (income) in the condensed consolidated income statement.

Commentary
The extent of disclosure on nature of the changes made to IAS 19R will depend on the facts and circumstances affecting a company and the disclosures about the company's accounting policy for employee benefits in its annual financial statements for the most recently completed financial year.

On transition to IFRS, most companies adopted a policy of recognizing actuarial gains and losses in other comprehensive income and immediately in retained earnings. Our example assumes that the Company had applied a similar policy and was not required to make any adjustments for unamortized actuarial gains and losses on transition to IAS 19R..

IAS 19 (amended in 2011) also clarified that benefits are classified as long-term employee benefits if payments are not expected to be made within the next 12 months. The Company has reviewed the classification of its benefits and reclassified its unused vacation accrual as a long-term employee benefit. The unused vacation accrual continues to be classified as a current liability as the Company does not have an unconditional right to defer settlement for more than 12 months even though it does not expect to make payments within the next 12 months.

Commentary
IAS 19R clarified the definitions of short- and long-term employee benefits (for example, long-service or sabbatical leave, long-term disability benefits, profit-sharing or bonuses and deferred compensation). Short-term benefits are those that are expected to be settled wholly before 12 months after the end of the annual period in which employees render their service. Long-term benefits are benefits that are not short-term benefits, post-employment benefits or terminations benefits. Therefore any benefits for which a portion of the benefit is expected to be paid after 12 months the year it has been earned are long-term benefits. This clarification requires long-term employee benefits to be

accounted for similar to defined benefit plans, except that remeasurements are included in net income. The balance sheet classification as to current and noncurrent liabilities continues to be based on the IAS 1.69 criteria.

In our example, we have assumed that the Company has a vacation benefit that is earned each year that can be carried forward indefinitely, but must be used before the employee leaves the Company. Past experience indicates that employees carry forward their entitlement for a number of years and build up balances greater than their annual entitlement. The Company has previously accrued the unused vacation without taking into account the expected payment date, interest or changes in assumptions. As a long-term employee benefit, IAS 19R requires these obligations to be measured in a manner similar to post-employment benefits, however, the service cost, net interest and remeasurements are all included in net income. See IAS 19R.153 to 158.

The standard also requires termination benefits to be recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit or recognizes any related restructuring costs. Termination benefits that require future services are required to be recognized over the periods the future services are provided. This amendment required the Company to change its accounting policy for termination benefits when future services are required. Prior to these amendments, the Company recognized terminations benefits when the terminations were announced even if future services were required.

Commentary
Our example assumes the Company had recognized a liability for termination benefits at the end of the 2012 financial year for services to be provided over a period of 18 months.

The Company adopted these amendments retrospectively and adjusted its opening equity as at January 1, 2012 to recognize previously unrecognized past service costs and adjustments to the asset ceiling for post-employment plans. The post-employment benefits' finance expense and employee benefit expense for the comparable period have been adjusted to reflect the accounting changes for defined benefit plans. Other long-term employee benefits were remeasured as at January 1, 2012 to reflect the net present value of expected payments for unused vacation and were subsequently accounted for as other long-term benefits. The termination benefits recognized in the final quarter of 2012 were reversed and are being accounted for as the future services are provided. The adjustments for each financial statement line item affected are presented in the tables below.

Commentary
In contrast to IFRS 10 and 11 transition provisions, IAS 19R does not provide an exemption from the disclosure of current period adjustments. The example below includes the current period adjustments for the first quarter of 2013.

We have assumed that the changes made to the IAS 19R related to post-employment benefit plans' accounting for settlements, taxes, administrative and other expenses, risk and cost sharing arrangements and back-end loading of benefit formulae do not affect the company in our example. If a company is required to change their accounting policies for these matters, the disclosures required by IAS 34 and IAS 8 should be made in the note if the changes are material.

Adjustments to condensed consolidated balance sheet

	March 31, 2013	December 31, 2012	January 1, 2012
Equity before accounting change	$ 8,386.0	$ 8,188.4	$ 7,471.0
Increase in post-employment benefits liability	47.3	48.1	37.8
Decrease in:			
Trade and other payables	(7.2)	(8.0)	(3.5)
Deferred income tax liability	(10.7)	(10.7)	(9.9)
Equity after accounting change	**$ 8,356.6**	**$ 8,159.0**	**$ 7,446.6**
Equity after accounting attributable to:			
Shareholders of Company	$ 7779.8	$ 7,582.4	$ 6868.5
Non-controlling interests	576.8	576.6	578.1
	$ 8,356.6	**$ 8,159.0**	**$ 7,446.6**

Adjustments to condensed consolidated income statement

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
Net income before accounting change	$ 241.8	$ 124.3
Increase in:		
Finance expense	4.6	3.3
Selling and administrative expenses	0.4	–
Decrease in:		
Selling and administrative expenses	–	(0.4)
Income tax expense	(1.3)	(0.8)
Change to net income	3.7	2.1
Net income after accounting change	**$ 238.1**	**$ 122.2**
Net income after accounting change attributable to:		
Shareholders of Company	$ 222.0	$ 106.1
Non-controlling interests	16.1	16.1
	$ 238.1	**$ 122.2**
Earnings per share after accounting change		
Basic	$ 1.76	$ 0.97
Diluted	$ 1.75	$ 0.97

Adjustments to condensed consolidated comprehensive income

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
Comprehensive income before accounting change	$ 249.1	$ 126.6
Increase in other comprehensive income for remeasurements of post-employment benefit liabilities	3.6	3.6
Decrease in net income	(3.7)	(2.1)
Change to comprehensive income	0.5	1.5
Comprehensive income after accounting change	**$ 249.0**	**$ 128.1**
Comprehensive income after accounting change attributable to:		
Shareholders of Company	$ 232.9	$ 112.0
Non-controlling interests	16.1	16.1
	$ 249.0	**$ 128.1**

Commentary

The adoption of IAS 19R should not have any net impact on cash flows. If a company uses the indirect method to determine cash flows generated from operating activities, the line items within operating activities' section of the statement of cash flows may be impacted if the company presents a list of non-cash adjusting items and changes in working capital on the face of the statement of cash flows or in a table in the notes. In our example (as illustrated in Appendix A), a condensed format for cash flows from operating activities is used.

Revised format for statement of comprehensive income

IAS 1, *Presentation of Financial Statements*, was revised to require the format of the statement of comprehensive income to segregate comprehensive income items recycled to net income and the comprehensive income items not recycled to net income. This section illustrates a possible new presentation format for a condensed consolidated statement of comprehensive income.

Illustrative statement

Condensed consolidated statement of comprehensive income

		Quarter ended March 31, 2013		Quarter ended March 31, 2012
Net income	$	362.3	$	184.7
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to net income				
Cash flow hedges		1.3		2.5
Change in available for sale financial assets		2.8		(0.7)
Foreign currency translation adjustments		1.7		(0.2)
Share of other comprehensive income of associates and joint ventures		1.5		0.7
		7.3		2.3
Items that will not be reclassified to net income				
Remeasurements for post-employment benefit plans		3.6		3.6
Other comprehensive income, net of tax		10.9		5.9
Comprehensive income	**$**	**373.2**	**$**	**190.6**

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Commentary

The amendments to IAS 1 do not specify whether and when amounts previously recognized in other comprehensive income should be reclassified to net income. Other IFRS should be referred to determine the classification of items within other comprehensive income. The above example illustrates a presentation format and does not necessarily include all possible types of items within each category. Companies should carefully analyze their components of other comprehensive income for appropriate classification.

Items of other comprehensive income may be presented either net of the related tax effects or before the related tax effects with one aggregate amount for income tax related to all of the other comprehensive income items. Our examples present the items net of the related tax effects. When the items are presented net of tax, the amount of income tax relating to each item of other comprehensive items may be disclosed in the notes. IAS 1.91 indicates that if income taxes are shown as an aggregate amount for all other comprehensive income items, disclosure should be made of the amount allocated between items that may be reclassified and items that will not be reclassified to net income. This requirement is not included in IAS 34.

Appendix A

Alternative Aggregated Presentation of Accounting Changes

The following tables present the impact of several changes in accounting policy using an aggregated format. The disclosure of changes in accounting policy **is not required** to be a table or aggregated. However, the format below can easily illustrate the impact of accounting changes that affect most of the line items in the financial statements. The example below does not shade the March 31, 2013 figures as the table includes the IAS 19 (Revised 2011) adjustments which are required for the current and comparative periods.

Impact on condensed consolidated balance sheets

	March 31, 2013					December 31, 2012					January 1, 2012				
		Adjustments for changes in accounting policies					Adjustments for changes in accounting policies					Adjustments for changes in accounting policies			
	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes
Current assets															
Cash and cash equivalents	$ 361.6	$ 180.7	$ (51.6)	$ -	$ 490.7	$ 761.7	$ -	$ (29.5)	$ -	$ 732.2	$ 901.4	$ 11.4	$ (19.5)	$ -	$ 893.3
Trade and other receivables	1,652.1	59.8	(75.3)	-	1,636.6	1,704.6	57.0	(92.8)	-	1,668.8	1,555.2	44.9	(55.9)	-	1,544.2
Inventories	1,296.0	-	(97.0)	-	1,199.0	1,262.1	-	(91.4)	-	1,170.7	1,230.9	-	(63.5)	-	1,167.4
Income taxes receivable	-	-	-	-	-	-	-		-	-	2.4	-	-	-	2.4
Other current assets	337.8	38.2	-	-	376.0	230.9	13.7		-	244.6	281.5	12.0	-	-	293.5
	3,647.5	278.7	(223.9)	-	3,702.3	3,959.3	70.7	(213.7)	-	3,816.3	3,971.4	68.3	(138.9)	-	3,900.8
Noncurrent assets															
Investments in associates and joint ventures	1,521.5	(1,202.4)	324.6	-	643.7	1,305.1	(986.6)	295.9	-	614.4	1,122.1	(857.9)	190.5	-	454.7
Financial assets	217.6	7.9	-	-	225.5	256.2	22.0	-	-	278.2	187.7	22.3	-	-	210.0
Investment properties	285.5	4,421.1	-	-	4,706.6	285.9	4,185.7	-	-	4,471.6	214.1	3,794.8	-	-	4,008.9
Property, plant and equipment	6,095.0	-	(239.8)	-	5,855.2	6,076.6	-	(230.0)	-	5,846.6	5,433.6	-	(200.5)	-	5,233.1
Intangible assets	1,047.2	55.4	(45.8)	-	1,056.8	1,053.1	57.2	(45.4)	-	1,064.9	1,024.4	57.4	(44.2)	-	1,037.6
Goodw ill	2,878.8	1.7	-	-	2,880.5	2,841.4	1.7	-	-	2,843.1	2,662.3	1.7	-	-	2,664.0
Deferred income taxes	94.0	-	-	-	94.0	79.6	-	-	-	79.6	65.0	-	-	-	65.0
Other noncurrent assets	99.7	104.8	-	-	204.5	53.9	82.7	-	-	136.6	120.7	72.9	-	-	193.6
TOTAL ASSETS	**$ 15,886.8**	**$ 3,667.2**	**$ (184.9)**	**$ -**	**$ 19,369.1**	**$ 15,911.1**	**$ 3,433.4**	**$ (193.2)**	**$ -**	**$ 19,151.3**	**$ 14,801.3**	**$ 3,159.5**	**$ (193.1)**	**$ -**	**$ 17,767.7**
Current liabilities															
Trade and other payables	$ (3,783.4)	$ (150.5)	$ 15.8	$ 7.2	$ (3,910.9)	$ (3,694.4)	$ (141.3)	$ 16.0	$ 8.0	$ (3,811.7)	$ (3,594.9)	$ (129.5)	$ 12.0	$ 3.5	$ (3,708.9)
Current income taxes payable	(27.9)	-	5.1	-	(22.8)	(21.6)	-	5.0	-	(16.6)	-	-	4.7	-	4.7
Long-term debt	(106.9)	(133.3)	27.7	-	(212.5)	(545.4)	(67.2)	27.6	-	(585.0)	(135.2)	(219.5)	27.4	-	(327.3)
Provisions	(60.4)	-	0.6	-	(59.8)	(66.9)	-	1.3	-	(65.6)	(66.7)	-	1.4	-	(65.3)
	(3,978.6)	(283.8)	49.2	7.2	(4,206.0)	(4,328.3)	(208.5)	49.9	8.0	(4,478.9)	(3,796.8)	(349.0)	45.5	3.5	(4,096.8)
Noncurrent liabilities															
Long-term debt	(2,138.4)	(2,039.1)	154.0	-	(4,023.5)	(2,101.3)	(2,120.2)	161.0	-	(4,060.5)	(2,517.0)	(1,848.1)	137.7	-	(4,227.4)
Deferred tax liabilities	(431.1)	-	(31.0)	10.7	(451.4)	(440.1)	-	(32.1)	10.7	(461.5)	(459.6)	-	-	9.9	(449.7)
Post-employment benefits	(461.0)	-	-	(47.3)	(508.3)	(463.5)	-	-	(48.1)	(511.6)	(223.3)	-	-	(37.8)	(261.1)
Provisions	(150.1)	-	12.7	-	(137.4)	(144.7)	-	14.4	-	(130.3)	(84.7)	-	9.9	-	(74.8)
Other noncurrent liabilities	(341.6)	(12.7)	-	-	(354.3)	(244.8)	(12.7)	-	-	(257.5)	(248.9)	(13.1)	-	-	(262.0)
TOTAL LIABILITIES	(7,500.8)	(2,335.6)	184.9	(29.4)	(9,680.9)	(7,722.7)	(2,341.4)	193.2	(29.4)	(9,900.3)	(7,330.3)	(2,210.2)	193.1	(24.4)	(9,371.8)
Equity															
Equity attributable to shareholders															
Share capital	(696.8)	-	-	-	(696.8)	(696.8)	-	-	-	(696.8)	(705.7)	-	-	-	(705.7)
Contributed surplus	(13.7)	-	-	-	(13.7)	(13.3)	-	-	-	(13.3)	(10.3)	-	-	-	(10.3)
Accumulated other comprehensive loss	26.4	-	-	-	26.4	33.7	-	-	-	33.7	46.3	-	-	-	46.3
Retained earnings	(7,125.1)	-	-	29.4	(7,095.7)	(6,935.4)	-	-	29.4	(6,906.0)	(6,223.2)	-	-	24.4	(6,198.8)
	(7,809.2)	-	-	29.4	(7,779.8)	(7,611.8)	-	-	29.4	(7,582.4)	(6,892.9)	-	-	24.4	(6,868.5)
Non-controlling interests	(576.8)	(1,331.6)	-	-	(1,908.4)	(576.6)	(1,092.0)	-	-	(1,668.6)	(578.1)	(949.3)	-	-	(1,527.4)
TOTAL EQUITY	(8,386.0)	(1,331.6)	-	29.4	(9,688.2)	(8,188.4)	(1,092.0)	-	29.4	(9,251.0)	(7,471.0)	(949.3)	-	24.4	(8,395.9)
TOTAL EQUITY & LIABILITIES	**$ (15,886.8)**	**$ (3,667.2)**	**$ 184.9**	**$ -**	**$ (19,369.1)**	**$ (15,911.1)**	**$ (3,433.4)**	**$ 193.2**	**$ -**	**$ (19,151.3)**	**$ (14,801.3)**	**$ (3,159.5)**	**$ 193.1**	**$ -**	**$ (17,767.7)**

Impact on condensed consolidated income statement

	Quarter ended March 31, 2013					Quarter ended March 31, 2012				
		Adjustments for changes in accounting policies					Adjustments for changes in accounting policies			
	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes
Revenue	$ (5,620.8)	$ (84.8)	$ 150.6	$ -	$ (5,555.0)	$ (5,104.7)	$ (78.3)	$ 118.8	$ -	$ (5,064.2)
Net gain from fair value adjustment on investment property	10.9	(195.3)	-	-	(184.4)	0.2	(81.6)	-	-	(81.4)
Property operating expenses	0.7	46.9	-	-	47.6	1.0	43.9	-	-	44.9
Cost of sales	3,708.5	(44.2)	(90.1)	-	3,574.2	3,321.8	(43.3)	(71.4)	-	3,207.1
Gross profit	(1,900.7)	(277.4)	60.5	-	(2,117.6)	(1,781.7)	(159.3)	47.4	-	(1,893.6)
Selling and administrative expenses	1,671.7	7.9	(10.4)	0.4	1,669.6	1,625.1	7.0	(10.4)	(0.4)	1,621.3
Other gains (losses)	(3.1)	-	-	-	(3.1)	(7.4)	-	-	-	(7.4)
Operating income	(232.1)	(269.5)	50.1	0.4	(451.1)	(164.0)	(152.3)	37.0	(0.4)	(279.7)
Finance income	(2.4)	-	-	-	(2.4)	(3.7)	-	-	-	(3.7)
Finance expenses	44.7	34.5	(10.5)	4.6	73.3	50.5	33.6	(11.2)	3.3	76.2
Finance expenses, net	42.3	34.5	(10.5)	4.6	70.9	46.8	33.6	(11.2)	3.3	72.5
Equity income from associates and joint ventures	(129.3)	111.4	(28.7)	-	(46.6)	(77.4)	56.2	(18.3)	-	(39.5)
Net income before income taxes	(319.1)	(123.6)	10.9	5.0	(426.8)	(194.6)	(62.5)	7.5	2.9	(246.7)
Income tax expense	77.3	-	(10.9)	(1.3)	65.1	70.3	-	(7.5)	(0.8)	62.0
Net income	**$ (241.8)**	**$ (123.6)**	**$ -**	**$ 3.7**	**$ (361.7)**	**$ (124.3)**	**$ (62.5)**	**$ (0.0)**	**$ 2.1**	**$ (184.7)**
Attributable to:										
Shareholders of Company	$ (225.6)	$ -	$ -	$ 3.7	$ (221.9)	$ (108.2)	$ -	$ -	$ 2.1	$ (106.1)
Non-controlling interests	(16.2)	(123.6)	-	-	(139.8)	(16.1)	(62.5)	-	-	(78.6)
	$ (241.8)	**$ (123.6)**	**$ -**	**$ 3.7**	**$ (361.7)**	**$ (124.3)**	**$ (62.5)**	**$ -**	**$ 2.1**	**$ (184.7)**
Earnings per share										
Basic	$ (1.79)	$ -	$ -	$ 0.03	$ (1.76)	$ (0.86)	$ -	$ -	$ 0.02	$ (0.84)
Diluted	$ (1.78)	$ -	$ -	$ 0.03	$ (1.75)	$ (0.86)	$ -	$ -	$ 0.02	$ (0.84)

Impact on condensed consolidated statement of comprehensive income

	Quarter ended March 31, 2013					Quarter ended March 31, 2012				
		Adjustments for changes in accounting policies					Adjustments for changes in accounting policies			
	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes
Net income for the year	$ (241.8)	$ (123.6)	$ -	$ 3.7	$ (361.7)	$ (124.3)	$ (62.5)	$ -	$ 2.1	$ (184.7)
Cash flow hedges	(2.0)	0.7	-	-	(1.3)	(1.5)	(1.0)	-	-	(2.5)
Change in available for sale finanical assets	(2.8)	-	-	-	(2.8)	0.7	-	-	-	0.7
Share of comprehensive (income) loss of associates and joint ventures	(0.8)	(0.7)	-	-	(1.5)	(1.7)	1.0	-	-	(0.7)
Foreign currency translation adjustments	(1.7)	-	-	-	(1.7)	0.2	-	-	-	0.2
Remeasurements of post-employment benefit liabilities	-	-	-	(3.6)	(3.6)	-	-	-	(3.6)	(3.6)
Other comprehensive income	(7.3)	-	-	(3.6)	(10.9)	(2.3)	-	-	(3.6)	(5.9)
	$ (249.1)	**$ (123.6)**	**$ -**	**$ 0.1**	**$ (372.6)**	**$ (126.6)**	**$ (62.5)**	**$ -**	**$ (1.5)**	**$ (190.6)**
Attributable to:										
Shareholders of Company	$ (233.0)	$ -	$ -	$ 0.1	$ (232.9)	$ (110.5)	$ -	$ -	$ (1.5)	$ (112.0)
Non-controlling interests	(16.1)	(123.6)	-	-	(139.7)	(16.1)	(62.5)	-	-	(78.6)
	$ (249.1)	**$ (123.6)**	**$ -**	**$ 0.1**	**$ (372.6)**	**$ (126.6)**	**$ (62.5)**	**$ -**	**$ (1.5)**	**$ (190.6)**

Impact on condensed consolidated statement of cash flows

	Quarter ended March 31, 2013					Quarter ended March 31, 2012				
		Adjustments for changes in accounting policies					Adjustments for changes in accounting policies			
	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes	Before accounting changes	IFRS 10	IFRS 11	IAS 19 (Revised 2011)	After accounting changes
Operating activities										
Cash flows generated from operations	$ 616.1	$ 42.9	$ (62.3)	$ -	$ 596.7	$ 628.5	$ 70.3	$ (47.4)	$ -	$ 651.4
Income taxes paid	(118.3)	-	9.8	-	(108.5)	(146.0)	-	8.5	-	(137.5)
	497.8	42.9	(52.5)	-	488.2	482.5	70.3	(38.9)	-	513.9
Investing										
Net increase in investments	(183.4)	121.2	-	-	(62.2)	(3.7)	-	-	-	(3.7)
Purchases of property, plant, equipment and investment properties	(284.4)	(36.2)	12.5	-	(308.1)	(247.2)	(15.3)	10.0	-	(252.5)
Proceeds on disposal of property, plant, equipment and investment properties	21.8	-	-	-	21.8	115.9	-	-	-	115.9
Purchases of intangible assets	(17.3)	-	0.5	-	(16.8)	(9.2)	-	0.5	-	(8.7)
Business acquisitions	(1.5)	-	-	-	(1.5)	(14.0)	-	-	-	(14.0)
Other	40.8	-	-	-	40.8	(61.9)	-	-	-	(61.9)
	(424.0)	85.0	13.0	-	(326.0)	(220.1)	(15.3)	10.5	-	(224.9)
Financing										
Issue of long-term debt	94.1	8.7	-	-	102.8	25.8	(0.2)	6.9	-	32.5
Repayment of long-term debt	(495.8)	(36.7)	7.0	-	(525.5)	(158.4)	(13.1)	-	-	(171.5)
Proceeds on issue of non-controlling interests	-	134.5	-	-	134.5	-	-	-	-	-
Interest paid	(36.6)	(34.5)	10.4	-	(60.7)	(35.7)	(33.6)	11.3	-	(58.0)
Dividends paid to shareholders of Company	(35.6)	-	-	-	(35.6)	(33.4)	(32.3)	-	-	(65.7)
Distributions to non-controlling interests	-	(19.7)	-	-	(19.7)	-	15.3	-	-	15.3
Other	-	0.4	-	-	0.4	-	0.9	-	-	0.9
	(473.9)	52.7	17.4	-	(403.8)	(201.7)	(63.0)	18.2	-	(246.5)
Change in cash and cash equivalents	(400.1)	180.6	(22.1)	-	(241.6)	60.7	(8.0)	(10.2)	-	42.5
Cash beginning	761.7	-	(29.5)	-	732.2	901.4	11.3	(19.5)	-	893.2
Cash closing	$ 361.6	$ 180.6	$ (51.6)	$ -	$ 490.6	$ 962.1	$ 3.3	$ (29.7)	$ -	$ 935.7