

12-2014

International Financial Reporting Standards Implementation in Canada: The impact of IFRS Conversion on Canadian Public Banking Enterprises

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International Financial Reporting Standards Implementation in Canada:

The impact of IFRS Conversion on Canadian Public Banking Enterprises

Thesis submitted in partial fulfillment of Honors

By

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November 19, 2014

College of Business and Technology
Honors Thesis Signature Approval Form

International Financial Reporting Standards Implementation in Canada:

The impact of IFRS Conversion on Canadian Public Banking Enterprises

November 19, 2014

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TABLE OF CONTENTS

Executive Summary	4
Chapter 1: Introduction.....	5
The Purpose of IFRS.....	5
IFRS versus GAAP	6
Field Studies.....	8
The Canadian Way.....	10
The Purpose of Research	12
Chapter 2: Methodology.....	14
Research Objectives	14
Hypotheses	14
Research Design.....	16
Data Sources	18
Statistical Tests	19
Chapter 3: Results and limitations.....	20
Sample Characteristics	20
Statistical Testing.....	21
Levene's and Wilcoxon Signed Rank Tests Summary.....	23
Limitations.....	27
Chapter 4: Conclusion and Recommendations	29
Findings.....	29

Differences compared to other studies.....	30
Audience.....	31
Recommendations Canadian Public Companies.....	31
Investors.....	33
Accounting Standard Regulators.....	34
Conclusion and Recommendations.....	35
Appendix A: Samples.....	36
Appendix B: Normality Tests.....	40
Appendix C: Levene's Tests.....	48
Appendix D: Wilcoxon Signed Rank Test.....	56
Appendix E: Financial Ratios.....	59
References.....	65

Executive Summary

The purpose of the research is developing an understanding of the effect that International Financial Reporting Standards (IFRS) had, if any, on Canadian Publicly Accountable Enterprises (PAEs), specifically their external financial reporting compared to Canadian Generally Accepted Accounting Principles (Canadian GAAP). The focus of this research is the analysis of reported financial ratios of Canadian Banking companies for the year ended December 31, 2010, which will be tested for the statistically-significant differences between Canadian GAAP and IFRS. The research is designed to examine what impact on liquidity, leverage, profitability, and cash flows the change from Canadian GAAP to IFRS has, if any. Overall, the results indicated that there are no statistically significant differences between IFRS and CGAAP means and medians of financial ratios. However, the IFRS conversion did cause significant differences of the leverage ratios under IFRS and CGAAP. The statistical differences were found between medians of IFRS and CGAAP of equity ratios and means of equity's and debt ratios. The outcomes of the investigation will be useful for Canadian public companies (specifically in the banking industry), investors, stockholders, and other lenders, all of whom rely on financial ratios for various purposes such as credit decisions and debt monitoring. In addition, the United States Government and enterprises in the United States will be able to learn from Canadian experience and make informed decisions about any future changes to accounting standards.

CHAPTER 1.

Introduction

IFRS conversion became a topic for many concerns and discussions throughout the world. The adoption of IFRS produced a great impact with many ramifications for Canadian public companies, investors, stockholders, and other lenders, all of whom rely on financial ratios for various purposes such as credit decisions and debt monitoring. Therefore, it is important to learn about the possible influences IFRS adoption has on the quality of financial statements and other emerging issues so that necessary changes can be suggested and implemented timely and properly. There are many different opinions about the potential benefits and threats of IFRS. The efficiency and quality of the new reporting standards have been precisely scrutinized, producing many supporters and critics. The purpose of the literature review is to highlight the major studies about IFRS, experience of former conversion in European countries, and also investigate the overall attitude towards IFRS conversion. Also, “Canada’s IFRS adoption experience provides unique insights about the unsettled debate over whether the SEC should permit U.S. firms to choose between IFRS and U.S. GAAP”.¹

The Purpose of IFRS

Because the world economy is becoming globalized and boundaries for trade and communication between nations are vanishing, there is a need for a widely accepted set of high-quality accounting standards which would make the preparation of financial statements for

¹ Burnett, B., Gordon, E., Jorgensen, B., & Lintchicum, C. (2013). Early Evidence from Canadian Firms’ Choice between IFRS and U.S. GAAP*. *Recanati: Business School Tel Aviv University*. Retrieved July 17, 2014, from http://recanati-bs.tau.ac.il/Eng/_Uploads/dbsAttachedFiles/jorgensen.pdf

public companies standardized throughout the world. This standardization of reporting is thereby intended to provide significant benefits to global capital markets and investors. The main purpose of IFRS is to “develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles”.² Prior to IFRS conversion, it was very costly and time consuming for international companies to provide financial statements under different methods based on country of origin. As such, one of the goals of IFRS is to reduce the cost and increase the timeliness of preparation of accounting statements. According to CICA, “not only will the adoption of IFRSs improve the clarity and comparability of financial information globally, it will also prove more efficient and cost effective by eliminating the need for reconciliations of information reported under different national standards”.³

IFRS versus GAAP

Despite all the potential benefits of IFRS, there are concerns about the quality and efficiency of IFRS compared to GAAP. "The public perception was that the European transition was very successful - and it was. But it was also more difficult than people realized, requiring lots of patches and offline adjustments to try and get to the final report," says Amin Mawji, a partner in the Financial Reporting Advisory group at Ernst & Young.⁴

² Legotte, L. (August, 2012). IFRS Adoption in the United States in 2015. Global Executive Training and Development Association. Retrieved February 28, 2014, from <http://globalexecutives.org/global-articles/ifrs-adoption-in-the-united-states-in-2015/>

³ The CICA's Guide to IFRS in Canada. (2007). Retrieved November 12, 2014, from http://ocaq.qc.ca/pdf/ang/6_presse/infoca/2007/InfoCA1185_Guide_EN.pdf

⁴ Hughes, J. (April 30, 2008 Wednesday). CEOs need to take account of IFRS. Financial Times (London, England), Retrieved from <http://www.lexisnexis.com.ezproxy.etsu.edu:2048/hottopics/lnacademic/?>

One of the major concerns about IFRS are the costs of transition. The survey recently done by the Canadian Financial Executives Research Foundation (CFERF) revealed that the majority of responses to an online survey on the costs of transition to IFRS in Canada were positive. It concluded that, in general, the costs were substantial but controllable and mostly in line with expectations. For 47% of all organizations, financial reporting costs were higher following the IFRS transition. However, some of Canada's largest companies admitted that their reporting costs decreased from not having to prepare U.S. GAAP reconciliations.⁵

Despite the fact that the conceptual basis and many of the general principles are very similar under IFRS and Canadian GAAP, in reality many distinctions between the two systems exist that may impact figures presented in financial statements and lead to variances in the computed financial ratios.⁶ The main disparity is that IFRS provides fewer detailed rules than Canadian GAAP and provides limited industry-specific guidance. This discord may negatively influence the quality of financial reporting and cause incomprehension among financial statement preparers and users. As an example, in the United Kingdom, firms reporting IFRS earnings that were lower than those computed according to UK GAAP were penalized by the stock market.⁷ Some studies suggest that IFRS tends to avoid numerical guidelines and extensive implementation guidance, preferring reliance on judgment. IFRSs can be criticized for this

⁵ Survey reveals IFRS transition costs in Canada were generally in line with expectations. (2013, July 16). *portal.feicanada.org*. Retrieved April 15, 2014, from <https://portal.feicanada.org/enews/file/Press%20Releases/2013/IFRS%20Transition%20Cost%20Surv>

⁶ Blanchette, M., Racicot, F.-E., & Girard, J.-Y. (2011, March). The effects of IFRS on financial ratios: Early evidence in Canada. Certified General Accountants Association of Canada. Retrieved from <http://ideas.cga-canada.org/WorkingPapers/110302.pdf>

⁷ Cormier, D., Demaria, S., Lapointe, P., and Teller, R. (2009), First-Time Adoption of IFRS, Managerial Incentives and Value-Relevance: Some French Evidence, *Journal of International Accounting Research*, 8(2), 20-22

subjectivity that can, in practice, open the door to earnings management and income smoothing.⁸

“Coupled with the more subjective principles-based philosophy, IFRS can potentially add to accounting malfeasance problems,” states Peter Harris, professor and chair of the accounting and finance department at the New York Institute of Technology.⁹

This situation provides an excellent example of the need to study the differences between Canadian GAAP and IFRS and properly take these differences into account when interpreting financial information.

Field Studies

There are several research studies that have been performed concerning IFRS conversion in Canada. The study sponsored by the Institute of Certified General Accountants of Canada (CGA) has been done based on a comparison of accounting figures and financial ratios computed under IFRS and pre-changeover Canadian GAAP for the same period using a sample of 150 companies listed on the Toronto Stock Exchange which mandatorily adopted IFRS in 2011. According to Certified General Accountants of Canada, “central values of IFRS financial statement figures and ratios are not significantly different from those derived under CGAAP since the equality of means and the equality of medians are not statistically rejected for all figures and ratios, except

⁸ Blanchette, M., & Desfleurs, A. (2011). Critical Perspectives on the Implementation of IFRS in Canada. *Journal of Global Business Administration (JGBA)*, Volume 3 (number 1), Retrieved April 16, 2014, from <http://jgba.org/index.php/jgba/article/viewfile/88/43>

⁹ Harris, P. (2013). U.S. GAAP Conversion to IFRS: A Comprehensive Case Study. *Internal Auditing*, 28(3), 31-41. Retrieved from <https://login.ezproxy.etsu.edu:3443/login?url=http://search.proquest.com/docview/1400434974?accountid=10771>

net profit/loss.”¹⁰ However, volatility of financial statement figures is mostly higher in IFRS than in CGAAP.¹¹

According to Blachette, who dedicated his research to IFRS conversion in Canada, fair value accounting caused finance and real estate sectors to have significantly higher assets and profit in IFRS than in CGAAP. Also in the Management sector, level of assets and liabilities are noticeably higher in IFRS as a result of accounting adjustments on financial instruments (including derivatives and hedges) (2011). The Canadian Institute of Chartered Accountants stated that the change to IFRS affects more than only financial reporting. Many areas of business will be affected, including lending agreements, debt covenants, and bonus-based remuneration plans.

Another study was conducted on 50 Canadian Coal and Mining companies that provided some departures from results of the CGA research. It was found that adoption of IFRS, in general, did not cause significant changes the central tendency of some of the financial ratios or in the dispersion of any of the ratios of Canadian public mining companies. However, it appeared that some ratios, such as quick ratio, return on assets, and comprehensive return on assets had significant changes in the central tendency.¹²

Canadian companies were able to learn from European countries that went through IFRS conversion in 2005 or later. The adoption of IFRS by over 100 countries has caused a number of academic investigations, largely focused on the European Union. In China, IFRS accounting

¹⁰ Blanchette, M., Racicot, F.-E., & Girard, J.-Y., 2011

¹¹ IFRS Adoption in Canada: An Empirical Analysis of the Impact on Financial Statements. (2013). Retrieved September 12, 2014, from http://www.cga-canada.org/en-ca/MediaCentre/ResourceLibrary/AreasOfExpertise/Pages/ca_highlights_IFRS_2013.aspx

¹² McConnell, H. (2012). The Effect of IFRS on the Financial ratios of Canadian Public Mining Companies." Undergraduate Honors Thesis Series. Paper 50. <http://dc.esu.edu/honor/50>

standards became mandatory for listed firms in 2007, whose accounting quality has been examined for the period 2005 to 2008. The study that observed the impact of IFRS on accounting quality in a regulated market indicated that accounting quality improved with decreased earnings management and increased value relevance of accounting measures since IFRS adoption. It provided direct evidence on whether IFRS can be relevant to markets that are still disciplined mainly by regulators rather than by market mechanisms.¹³ Another research project conducted by Analyst's Accounting Observer newsletter on foreign companies that filed results in the US in 2006 found only two reported the same earnings under both US GAAP and IFRS. For 64 percent of companies, the earnings under IFRS were higher, with the median upturn of 12.9 percent and 9.1 percent for companies with higher earnings under US GAAP.¹⁴ Furthermore, it was found that European enterprises “underestimated the magnitude of effort required to convert — it was more than just an accounting exercise. Canadian enterprises that are well underway in their conversion efforts are quickly gaining an appreciation of the magnitude of their conversion efforts.”¹⁵

The Canadian Way

In 2006, the Accounting Standards Board of the Canadian Institute of Chartered Accountants announced its plan to replace Canadian GAAP with IFRS for all Publicly Accountable Entities, as defined by the CICA. The first date on which IFRS replaced Canadian GAAP in published

¹³ Liu C., Yao J.L., Hu N., Liu L. (2011) .The Impact of IFRS on Accounting Quality in a Regulated Market: An Empirical Study of China. *Journal of Accounting, Auditing & Finance*, October 2011 vol. 26 no. 4 659-676. doi: 10.1177/0148558X11409164

¹⁴ Hughes, J. (April 30, 2008 Wednesday). CEOs need to take account of IFRS. Financial Times (London, England), Retrieved from <http://www.lexisnexis.com.ezproxy.etsu.edu:2048/hottopics/lnacademic/>?

¹⁵ IFRS compared to Canadian GAAP: An overview Third Edition (2010). Retrieved August 12, 2014, from <https://www.kpmg.com/Ca/en/IssuesAndInsights/ArticlesPublications/Documents/IFRS/IFRSGAAPComparisonThirdEd2009-10.pdf>

annual reports was January 1, 2011.¹⁶ According to Canada Revenue Agency a Publicly Accountable Enterprise an entity that “has issued, or is in a process of issuing, debt or equity instruments that are, or will be, outstanding and traded in a public market (including a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. Banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks typically meet the second of these criteria.”¹⁷ However, on December 12, 2011, the Canadian Accounting Standards Board amended the deadline for adoption of IFRS for publicly accountable enterprises, which include funds/investment trusts, to fiscal years beginning on or after January 1, 2014. In 2013, “The Accounting Standards Board of Canada has decided to extend the existing deferral of the mandatory IFRS changeover date for entities with qualifying rate-regulated activities by an additional year to 1 January 2015.”¹⁸

The Accounting Standards Board implemented congregated standards issued jointly by the International Accounting Standards Board and the US Financial Accounting Standards Board.¹⁹ The Canadian Institute of Chartered Accountants stated that “the United States position on the

¹⁶ The CICA’s Guide to IFRS in Canada. (2007). Retrieved November 12, 2014, from http://ocaq.qc.ca/pdf/ang/6_presse/infoca/2007/InfoCA1185_Guide_EN.pdf

¹⁷ Publicly Accountable Enterprises (PAEs). (2014). *Government of Canada, Canada Revenue Agency, Taxpayer Services and Debt Management Branch, Taxpayer Services Directorate*. Retrieved July 16, 2014, from <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/frs/ccntbl-eng.html>

¹⁸ IAS Plus. (2013). *Canada defers mandatory IFRS adoption for certain rate-regulated entities to 2015*. Retrieved July 16, 2014, from <http://www.iasplus.com/en/news/2013/02/canada-rate-regulated-deferral>

¹⁹ IFRS General Adoption - FAQs. (n.d.). *Chartered Professional Accountants Canada*. Retrieved May 1, 2014, from <http://www.cica.ca/applying-the-standards/financial-reporting/international-financial-reporting-standards/item73266.aspx#Whowasaffectedbythead>

adoption of IFRSs was never a factor in the Accounting Standard Board's decision to adopt IFRSs for Canada."²⁰

The application of IFRSs in Canada is broader than in Europe and applies to many more types of entities. Many publicly accountable entity's, Corporations, State Entities, and also brokerage firms and investment companies not listed but with a broad number of investors have to use IFRS as their reporting standards.²¹ Moreover, Canada plays a big role in the improvement of IFRS. The IFRS Discussion Group (IDG) has been established to publicly discuss the questions and concerns about IFRS and makes recommendations on whether particular issues should be referred to the IASB or IFRS Interpretations Committee.²²

In the future, all Canadian internationally traded companies and companies with international operations will adopt IFRS; and there will be no necessity for reconciliations between national GAAP and IFRS. The financial information they reported will be consistent and comparable, creating new opportunities in international financial markets with increased access to capital.²³

The Purpose of Research

The research purpose is to investigate whether IFRS changes the accounting image of Public Banking companies in Canada. Specifically, do the financial statements under IFRS appear more conservative or more volatile; and what changes in the average values of ratios and other information could be discerned in comparison to Canadian GAAP? To answer these questions, the research is designed to detect the possible differences in financial ratios based on figures

²⁰ IFRS General Adoption - FAQs. (n.d.). *Chartered Professional Accountants Canada*. Retrieved May 1, 2014, from <http://www.cica.ca/applying-the-standards/financial-reporting/international-financial-reporting-standards/item73266.aspx#Whowasaffectedbythead>

²¹ IAS Plus. (2012). Canada. Retrieved May 4, 2014, from <http://www.iasplus.com/en/jurisdictions/americas/Canada>

²² IFRS General Adoption - FAQs.

²³ SEC Concept Release: International Accounting Standards. (2000, January 1). Retrieved May 15, 2014, from <http://www.sec.gov/rules/concept/34-42430.htm>

from public Canadian banking companies which have audited financial statements for IFRS and Canadian GAAP. The tests for statistical significance will show if the possible inequality of financial ratios of public banking companies in Canada has been caused by IFRS transaction.

This research is based on the previous studies conducted on Canadian public companies. The methodology and statistical tests used in this work will be similar to the former projects. However, the research is intended to complement the previous studies about the effect of IFRS in Canada and overall efficiency of IFRS conversion. Since the effect of IFRS on public banking companies has not been investigated previously, the results of the study will provide new meaningful information useful for banking industry in Canada. Banking companies are an important industry sector; consequently, there is a need for investigation of this segment so that the users of financial statements and investors can more accurately interpret the reported financial information. It will complete the picture with other industries. The research will also provide evidence on whether the effects of IFRS fluctuate depending on the type of industry. The outcomes of IFRS conversion of banking companies should be compared to other industries results, which has been examined in former studies. If it would be detected that IFRS have drivers effects on different industries, further investigation should be performed on what have caused those distinctions, and proper conclusions should be made.

The sample size of 30 companies will provide a representative sample of most of the major Canadian public banking enterprises and management companies which have not been affected by limitations. Overall it will reveal whether a fair picture of Canadian banking and financial management industry is influenced by IFRS conversion.

CHAPTER 2 : METHODOLOGY

Research Objectives

The purpose of this research is to investigate whether IFRS changes the accounting image of Public Financial and Banking companies in Canada. This research will complement the previous studies performed on Canadian Public Enterprises concerning differences under IFRS and Canadian GAAP. Specifically, do the financial statements under IFRS appear more stable or more volatile; and what changes in the average values of financial ratios and other information could be discerned in comparison to Canadian GAAP? To answer these questions, the research is designed to detect the possible differences in 8 calculated financial ratios based on figures from audited financial statements for IFRS and Canadian GAAP of Public Canadian banking and financial management companies. This category of companies includes banks and trusts, insurance, investment funds and trusts, savings and loans, and other investment companies that file their financial statements on Sedar.com. The tests for statistical significance will show if the possible inequality of financial ratios of public banking companies in Canada has been caused by the transition to IFRS. If statistically significant differences are detected through the analysis, possible outcomes and recommendations will be discussed.

Hypotheses

This study will require three main types of testing. The first test performed is the test for normality.

- H_0 : financial ratios of IFRS and CGAAP are normally distributed. Parametrical test should be performed.

- H_A : financial ratios of IFRS and CGAAP are not normally distributed. Therefore, non-parametrical tests should be performed.

Following a test for normality, each of the eight ratios will be tested based on their average (or central tendency, if normality may not be assumed) and variation. These tests will produce sixteen null and alternate hypotheses in total, with eight hypotheses for testing the average and eight hypotheses for testing the variation.

The dispersion of the financial ratios will be tested with the following hypotheses:

- H_0 : $\sigma_1 = \sigma_2$; the variation of IFRS financial values is equal to the variation of CGAAP values. There is no difference in the variation of the IFRS financial ratios and the Canadian GAAP financial ratios.
- H_A : $\sigma_1 \neq \sigma_2$; the variation of IFRS financial values is not equal to the variation of CGAAP values. There is a difference in the variation of the IFRS financial ratios and the Canadian GAAP financial ratios.

The center of the distribution of the financial ratios will be tested based on the following hypotheses:

- H_0 : $\mu_1 = \mu_2$; the mean (or median, if normality is violated) of IFRS financial values is equal to that of the CGAAP values. There is no significant change in the central tendency of the financial ratios of public Canadian banking enterprises reported under Canadian GAAP and IFRS.
- H_A : $\mu_1 \neq \mu_2$; the mean (or median, if normality is violated) of IFRS financial values is not equal to median of the CGAAP values. There is a significant change in the central tendency of the financial ratios of public Canadian banking companies reported under Canadian GAAP and IFRS.

Research Design

The research has been designed to meet the objective of discovering and measuring the statistically significant differences (if any) between the audited financial report's values of Canadian public banking enterprises and financial management and services companies, as prepared under IFRS and Canadian GAAP. First, to meet the objective, all Public Companies from Sedar.com are browsed manually; Public Financial Management Enterprises and Banking Companies, funds and trusts and other investment companies, which qualify for the research are manually selected. This process resulted in 461 Canadian Banking Companies which have been selected from all other public companies on Sedar. Second, using Microsoft Excel program, a random sample of thirty public banking and financial companies was chosen. Third, audited financial statements analyzed to meet the specific criteria. If all companies in the sample qualify, the audited financial statements values will be manually entered into Excel spreadsheets from the financial statements. If some companies from designated sample fail the qualification test, an additional random sample will be performed by Excel using the same sampling procedure and checked for qualification. When the final sample is chosen, the figures from the balance sheet (current assets, total assets, current liabilities, total liabilities, inventory, non-controlling interest), income statement (income, net profit/loss), statement of comprehensive income (comprehensive income/loss), statement of cash flows (net operating cash flow) and notes to financial statements with other explanatory information will be manually selected and entered an into Excel spreadsheet. These figures allow computation of financial ratios including the current ratio, quick ratio, debt ratio, net profit margin, asset turnover, return on assets (ROA), comprehensive return on assets (comprehensive ROA), and the operating cash flow ratios. These financial ratios are relationships determined from a company's financial information and used for comparison

purposes between IFRS and CGAAP. The selected ratios are commonly used in practice and computed with the general formulas of four main categories: liquidity, leverage, coverage and profitability

After all the calculations are performed, the comparison of means, medians, and variances of selected accounting figures and financial ratios are prepared using normality tests, Wilcoxon/Mann-Whitney tests and Levene's tests respectively.

The following table summarizes the ratios chosen, their computation and their data source:

Financial Ratios		
Ratio	Formula	Source of Formula
Current Ratio	Current assets divided by Current liabilities	Balance sheet
Debt ratio	Total liabilities divided by Total assets	Balance sheet
Equity Ratio	Total shareholder's equity divided by total assets	Balance sheet
Asset turnover	Sales divided by Total assets	Income statement/balance sheet
Return on assets (ROA)	Net profit/loss divided by Total assets	Income statement
Comprehensive-ROA	Comprehensive income/loss divided by Total assets	Statement of comprehensive income
Operating cash flow ratio	Net operating cash flow	Statement of cash flows

	divided by Current liabilities	
Quick ratio	(Current assets – Inventory) divided by Current liabilities	Balance sheet

Data Sources

Data will be collected from the audited financial statements prepared under IFRS and Canadian GAAP for the fiscal year 2010 ended on December 31. Public Canadian companies are required to use IFRS for financial periods beginning on or after January 1, 2011. However, the requirements for transition to IFRS include filing under both financial standards, IFRS and Canadian GAAP for at least one year prior to the conversion.²⁴ The information from audited financial statements will be taken from The [System for Electronic Document Analysis and Retrieval](#) (SEDAR). The website, www.sedar.com, is the official site that provides public access to public company and investment fund profiles and SEDAR public securities filings.²⁵ Data from the set of audited financial statements represents the list qualified of Public Canadian banking and financial management companies, including banks and trusts, insurance, investment companies and funds and trusts, and savings and loans companies. The companies were chosen based on the following set of requirements:

- The company has to have audited financial statements from at least 2009 to 2012 in order to satisfy the time criteria.
- The company has to have audited financial statement in English.

²⁴ Blanchette, M., Racicot, F.-E., & Girard, J.-Y., 2011.

²⁵ SEDAR. (2014). Retrieved July 3, 2014, from http://www.sedar.com/homepage_en.htm

- The company has transitioned to IFRS (companies which have been allowed to defer until the years of 2014 or 2015 do not qualify).
- The company filed audited financial statements under both accounting reporting systems IFRS and Canadian GAAP on Sedar.com for the year 2010.

Data the statement of financial position (balance sheet), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes to financial statements with other explanatory information, were manually collected and sorted for the statistical analysis.

Statistical Tests

To test the null hypotheses, each of the computed ratios will be tested for equality of means, medians and variances under IFRS and Canadian GAAP. It is assumed that the means, medians, and variances of the compared financial ratios should be equal. Therefore, tests for dispersion and testing for central tendency will be performed. All tests will use a significance level of $\alpha = .05$. An Excel spreadsheet will be used to manually plot the data and implement the tests. The statistical software PHstat2 will be used for multiple-samples Levene's test, QIMacros for Wilcoxon Signed Rank Test, and Minitab 17 for testing normality.

CHAPTER 3: RESULTS

Sample Characteristics

After manually sorting public companies listing on Sedar, 461 companies were selected. Then, the first sample of 30 companies was randomly chosen by Excel data sampling. However, only 4 of those companies met the research criteria. Most of the investment companies, funds and trust were allowed a deferral until 2014 or 2015; therefore, IFRS financial data was not available. Since 86.67% of the first sample did not meet the requirements, the decision was made to review the 461 companies and exclude all public entities which were allowed a deferral and did not adopt IFRS in 2011. After revision, 110 companies that adopted IFRS in 2011 were sorted manually and studied further. A second sample of 30 companies were selected via Excel using the same process as the first sample. Of the second sample, 10 companies did not meet the eligibility criteria because only 2011 comparative financial statements data in compliance with CGAAP and IFRS were available. The financial statements for those companies were prepared in compliance with CGAAP only; therefore, these 10 unqualified companies were also excluded from the sample. To replace these 10 ineligible companies, another sample of 30 companies was selected using the same process; and replacements were selected in the order they appeared until a total of 30 were included in the sample. Therefore, the final sample represents 30 Canadian financial enterprises which met all the qualification criteria for further investigation.

Statistical Testing

Testing for normality

First, each of the eight ratios were tested for normality using Minitab 17 (appendix B). The Ryan Joiner Test results showed evidence that indicated that none of the eight ratios are normally distributed, since all the P-values are less than 0.010. Therefore, non-parametric testing for central tendency will be used. The tables below contain statistical output summaries produced by Excel for the current ratio, quick ratio and operating cash flow coverage ratio.

Test of Variances

Liquidity Ratios

The mean and standard deviation appears at first glance to be higher under CGAAP by approximately 23.45 percent and 14.5855 percent for current and quick ratios, which suggests that current assets and current liabilities are different under CGAAP and IFRS. The mean of operating cash flow coverage ratio appears to be less under IFRS compare to CGAAP, while the standard deviation is approximately the same.

To test the significance if the differences, the Ryan Joiner multiple samples test was performed. The outcomes of the test resulted in the P-values:

- P=0.611294 for the Current Ratio;
- P=0.611523764 for Quick Ratio;
- P=0.88259646 for Operating Cash Flow Coverage Ratio.

All the P-values are bigger than alpha (0.05), which means that the Null cannot be rejected. Therefore, no significant differences are found in these ratios.

Leverage Ratios

At the first glance, the mean and standard deviation of the debt ratio are approximately identical. However, the mean and standard deviation of the equity ratio seems to be higher under IFRS, which could indicate that total liabilities are higher under IFRS, lower under CGAAP or total equity is higher under GAAP and lower under IFRS. Levene's Ryan-Joiner multiple sampling test outputs produced P-values of 0.951904 for the debt ratio, and 0.03766 for the equity ratio. In the case of the debt ratio, the decision is to fail to reject the Null and conclude that the variation of IFRS financial values is equal to the variation of CGAAP values. There is no difference in the variation of the IFRS financial ratios and the Canadian GAAP financial ratios.

The equity ratio P-value is less than alpha, and that signifies that the Null should be rejected. The variation of IFRS financial values is not equal to the variation of CGAAP values. There is a statistically significant difference in the dispersion of the IFRS financial ratios and the Canadian GAAP financial ratios caused by adoption of IFRS in Canada.

Profitability Ratios

Profitability ratios were tested for difference in variances. Return on assets ratio P-value of 0.6974 is greater than α 0.05, which prescribe failure to reject the null. The variation of IFRS financial values is equal to the variation of CGAAP values. There is no difference in the dispersion of the IFRS financial ratios and the Canadian GAAP financial ratios.

The p-value of comprehensive return on assets ratio is 0.70397 is greater than α 0.05, and we conclude that there is no statistically significant difference in the dispersion of variations of the IFRS financial ratios and the Canadian GAAP financial ratios, because we failed to reject the Null.

Finally, the p-value of Asset Turnover Ratio is 0.9633 and greater than α , therefore we accept the Null and determine that $H_0: \sigma_1 = \sigma_2$; the variation of IFRS financial values is equal

to the variation of CGAAP values. There is no change in the variation of the IFRS financial ratios and the Canadian GAAP financial ratios for profitability ratios caused by IFRS adoption.

Levene's test summary results			
Ratio	F-Value	P-Value	Decision
Liquidity and coverage			
Current Ratio	0.261218	0.611294	Fail to reject the Null
Quick Ratio	0.260880289	0.611523764	Fail to reject the Null
Operating Cash Flow	0.02200885	0.88259646	Fail to reject the Null
Leverage			
Debt Ratio	0.00367	0.951904	Fail to reject the Null
Equity Ratio	4.53292	0.03766	Reject the Null
Profitability			

Statistical Results Summary

ROA	0.28303999	0.59674768	Fail to reject the Null
Comprehensive ROA	0.14579	0.703979419	Fail to reject the Null
Asset Turnover	0.00213037	0.96335009	Fail to reject the Null

The table above summarized the results projected by two sets of variances testing of financial ratios, Levene's Ryan Joiner multiple sample test. No statistically significant difference in the variation of IFRS and CGAAP financial values was found. The dispersion of financial ratios in compliance with IFRS is equal to the dispersion of CGAAP values, except for the equity ratio. The statistically significant difference was demonstrated in the equity ratio scenario. According to BDO Canada, the difference could be due to the following differences in CGAAP and IFRS reporting:

- Under Canadian GAAP, events following to year end may be taken into account in defining the demand for loans or loans with covenant violations, which results in more loans being classified as long term compared to IFRS.
- Under IFRS, more loans are classified as current because only conditions that occur at the year end date are counted when determining demand loans or loans with covenant violations.
- Future tax assets and liabilities are categorized as current or long term based on the nature of the underlying assets and liabilities producing the temporary difference.
- Deferred tax assets and liabilities are always presented as non-current.²⁶

Wilcoxon Signed Rank Test Results

²⁶ Assurance and Accounting: Canadian GAAP – IFRS Comparison Series (2010). *BDO.CA*. Retrieved September 1, 2014, from <http://www.bdo.ca/en/Library/Services/assurance-and-accounting/IFRSGAAP/IFRS-Canadian-GAAP-Differences-Series-Issue-15.pdf>

The second set of tests was the tests of medians for central tendency. Because it was previously determined that normality was violated (appendix B), Wilcoxon Signed Rank Test should be used. The Wilcoxon signed rank test provides the following result (appendix C)

- Current ratio p-value is 0.0352, accept the null
- Quick ratio has a p-value of 0.103, accept the null
- Operating cash flow coverage p-values is 0.579, accept the null

The results above indicate that $H_0: \mu_1 = \mu_2$; the mean of IFRS financial values is equal to that of the CGAAP values. There is no significant change in the central tendency of the financial ratios of public Canadian banking enterprises reported under Canadian GAAP and IFRS for liquidity and coverage ratios.

Wilcoxon signed rank test			
Ratio	Z-Value	P-Value	Decision
Liquidity and coverage			
Current Ratio	-0.9	0.352	Fail to reject the Null
Quick Ratio	-1.6	0.103	Fail to reject the Null
Operating Cash Flow	-0.6	0.579	Fail to reject the Null
Leverage			
Debt Ratio	3.4	0.001	Reject the Null
Equity Ratio	3.3	0.001	Reject the Null
Profitability			
ROA	-1.5	0.128	Fail to reject the Null
Comprehensive ROA	-1.9	0.053	Fail to reject the Null
Asset Turnover	-0.3	0.787	Fail to reject the Null

The Wilcoxon Signed Rank test produced the following results for the set of leverage ratios:

- Debt ratio p-value is 0.001, reject the Null at α 0.05
- Equity ratio p-value is 0.001, reject the Null

The outcomes above indicate that $H_A: \mu_1 \neq \mu_2$; the mean of IFRS financial values is not equal to median of the CGAAP values. There is a significant change in the central tendency of the financial ratios of public Canadian banking companies reported under Canadian GAAP and IFRS caused by IFRS conversion in Canada.

Finally, profitability ratios were tested for central tendency. The Wilcoxon Signed Rank test produced the subsequent results:

- Return on assets p-values is 0.128, accept the Null
- P-value of comprehensive return on assets ratio is 0.053, therefore accept the Null. However, the p value of 0.053 is very close to 0.05, and at alpha 0.10 the null would be rejected and differences would be considered statistically significant.
- Asset turnover p-value is 0.587 and greater than α 0.05, consequently we accept the Null

The outcomes of the Wilcoxon Signed Rank test verified the medians of IFRS profitability ratios are equal to that of the CGAAP values. IFRS conversion in Canada did not produce any significant change in the central tendency of profitability financial ratios of public Canadian banking enterprises reported under Canadian GAAP and IFRS.

Tests of Medians Summary Results

The results indicate that the median of IFRS financial values is equal to that of the CGAAP values for liquidity, coverage and profitability ratios. The IFRS conversion did not cause any statistically significant changes in the central tendency of the financial ratios of public Canadian banking enterprises reported under Canadian GAAP and IFRS. However, the null was rejected for both of the leverage ratios. This denotes that adoption of IFRS in Canada influenced debt and equity financial ratios to appear different. There is a significant change in the central tendency of the financial ratios of public Canadian banking companies reported under Canadian GAAP and IFRS. The study of early evidence in Canada points out that liabilities financial values may be different between IFRS and CGAAP due to requirement of different levels of liabilities on standards on leases, pensions and contingencies under IFRS. Also, expenses and equity may change as a consequence of the standard on share-based payments.²⁷

Limitations

There are several limitations that apply to the research. First, there is no uniform format on financial statement representation for 2010 and 2011. There are some companies which did not disclose current assets and liabilities separately from total assets and liabilities or did so in piecemeal within the financial statement notes, which reduces the comparability of the financial statements. Therefore, the calculation of current assets and liabilities was based on the best assumption of what constituted current and by using consistent assumptions when comparing an individual company's CGAAP statements to its IFRS statements. Second, this study's analysis on the most recent financial statements could not be conducted due to unavailability of the data. Companies were required to present financial statement prepared under IFRS and GAAP only for the year preceding the year of transition. Thereby, for the public companies with IFRS adoption on January 1, 2011, the year of 2010 is the only time when audited financial statements

²⁷ Blanchette M., Racicot F., Girard J., 2011.

were available in compliance with IFRS and CGAAP. Third, IFRS adoption deferrals resulted in having to exclude some categories of financial services companies. In January 2011, investment companies (including pension plans' master funds) and segregated accounts of life insurance enterprises got a deferral by an additional year until January 1, 2013.²⁸ Furthermore, the Canadian Accounting Standards Board decided to extend the mandatory IFRS changeover to years beginning on or after January 1, 2014 and later deferred adoption again to January 1, 2015.²⁹ Such deferrals limits the companies which qualify and excludes investment companies, pension plans, master funds and segregated accounts of life insurance enterprises from the sample frame due to unobtainability of audited financial statements at this point of time. This limits the categories of financial services companies covered by this study.

The data for the present research were taken from the electronic filing system for the disclosure documents of public companies and investment funds across Canada called SEDAR. All Canadian public companies and investment funds are required to file their documents in the SEDAR system.³⁰ Therefore, the companies sample used for the given study could be considered a good representative of all Canadian public entities. However, the transition notes are needed to identify differences between financial statement figures derived under Canadian GAAP and IFRS, so the presence of the transition notes also influenced if the company was included in the sample. Fourth, the results of the research were limited to public banking and financial management companies, and may not be applicable for the other industries, as well as all private

²⁸ [Second deferral of IFRS granted to investment companies. \(2011\). Grant Thornton LLP in Canada | Home.](http://www.granthornton.ca/.../Adviser_Alert%20Secon...) Retrieved July 17, 2014, from www.granthornton.ca/.../Adviser_Alert%20Secon...

²⁹ IAS Plus. (2013). Canada defers mandatory IFRS adoption for certain rate-regulated entities to 2015. Retrieved July 16, 2014, from <http://www.iasplus.com/en/news/2013/02/canada-rate-regulated-deferral>

³⁰ SEDAR Frequently Asked Questions. (n.d.). *SEDAR.com*, Retrieved November 14, 2014, from http://www.sedar.com/sedar/faq_en.htm

companies. Since the analysis performed on Canadian companies, the application to the other countries may not be appropriate due to differences between countries.

CHAPTER 4.

FINDINGS AND RECOMMENDATIONS

Findings

In order to accomplish the objective of the research, selected financial statement data of Canadian public banking enterprises gathered from Sedar.com underwent three sets of testing: test for normality, dispersion, and central tendency of computed financial ratios under IFRS and Canadian GAAP. The Minitab 14 test for normality produced the results that these ratios do not follow the normal distribution. Therefore, the non-parametrical testing of methods were chosen. Except for the equity ratio, Levene's test found no statistically significant difference in the variation of IFRS and Canadian GAAP financial values. The dispersion of financial ratios in compliance with IFRS is not statistically different from the dispersion of Canadian GAAP values, except for the equity ratio. It can be concluded that the IFRS transition in Canada caused statistically significant differences only in the dispersion of the equity ratio and in the central tendency of the equity and debt ratios.

Following, tests for equality of medians was performed by examining the differences between medians of financial ratios computed under IFRS and under Canadian GAAP. The results produced by the Wilcoxon Signed Rank Test suggested that the IFRS conversion did not cause any statistically significant changes in the central tendency of the financial ratios of public Canadian banking enterprises reported under Canadian GAAP and IFRS, except for the leverage ratios (debt ratio and equity ratio).

Differences compared to other studies

The statistical analysis outcomes of this study differ from the preceding CGA Canada research results, which finds no significant differences between the medians of all ratios (except one – cash flow coverage) computed for Canadian early adopters. However, the Least-square regressions model revealed increased volatility of leverage and profitability ratios under IFRS.³¹

In the CGA-Canada study, the results differ across industries, which seems to indicate that adoption of IFRS had different effects on different industries. According to “Empirical Analysis of the Impact on Financial Statements”, “Finance and Real Estate sectors have significantly higher assets and profit in IFRS than in CGAAP arising from fair value accounting; the level of assets and liabilities is noticeably higher in IFRS in the Management sector as a result of accounting adjustments on financial instruments, and in the Retail sector as a result of adjustments related to consolidation and strategic investments; and comprehensive income is

³¹ Blanchette, M., Racicot, F.-E, Sedzro, K. (2013). IFRS Adoption in Canada: An Empirical Analysis of the Impact on Financial Statements. Certified General Accountants Association of Canada. Retrieved from <http://ppm.cga-canada.org/en-ca/Documents/Impact%20of%20IFRS%20adoption%20on%20Financial%20Statements%20-%20Final%20-%20English.pdf>

significantly reduced under IFRS in Information and Manufacturing sectors due to pension and other employee benefits adjustments.”³²

Additionally, the outcomes of this research are different from the study conducted on Canadian public mining companies. The research conducted by Heath McConnell on public mining entities found that IFRS adoption does appear to cause significant changes in the central tendency of the quick ratio, return on assets, and comprehensive return on assets but found no differences in dispersion. This variance in outcomes appears to provide further evidence that the influence of IFRS adoption is not uniform among different industries. Since the Canadian Institute of Chartered Accountants indicated that IFRS adoption was required for Publicly Accountable Enterprises, for which there are about 4500, recognizing this apparent difference among industries is important for them to know whether and how IFRS adoption will affect them.³³

Audience

The outcomes of the investigation provides valuable information for Canadian public companies (specifically in the banking industry), investors, employees, stockholders, and other lenders, all of whom rely on financial ratios for various purposes such as investment choices, credit decisions, and debt monitoring. In addition, the United States Government and enterprises in the United States will be able to further learn from Canada’s experience with IFRS and make informed decisions about any future changes to accounting standards.

Recommendations

Canadian Public Companies

³² IFRS Adoption in Canada: An Empirical Analysis of the Impact on Financial Statements. (2013). Retrieved September 12, 2014, from http://www.cga-canada.org/en-ca/MediaCentre/ResourceLibrary/AreasOfExpertise/Pages/ca_highlights_IFRS_2013.aspx

³³ IFRS General Adoption - FAQs.

Overall, the transition from CGAAP to IFRS in Canada affected the financial reporting of many entities; and companies in the public banking sector are no exception. Therefore, in assessing the implications of IFRS adoption, the entire organization of each company facing or having faced this transition should be involved. The management team, employees, auditors, and advisors should be aware of the effect of IFRS on financial reporting and trend analysis. The results of the study indicated differences in the debt and equity ratios. Therefore, the management of Canadian public banking companies and their financial statements preparers should be cautious in examining equity ratios. The debt and equity ratios help to assess the company's overall financial strength in that a higher ratio generally indicates less risk and greater financial strength than a lower ratio. Since the mean and standard deviation of the debt and equity ratio are higher under IFRS, this indicates that total liabilities are lower under IFRS than under CGAAP or that total equity is higher under IFRS than under CGAAP. The study conducted by the CGA Canada also notes that "the liability side of the balance sheet is affected by the presentation of non-controlling interest increases shareholders' equity in IFRS."³⁴ The management team of Canadian Public Banking Enterprises need to avoid incorrect interpretations of these ratios due to IFRS adoption. Overall, banking and financial companies should determine how the new system influences the amount of assets that are financed by owner's investments.

Further, this study noted differences in the dispersion of the equity ratio in that the dispersion was greater under IFRS than under CGAAP. This suggests that the volatility of this ratio increased following IFRS adoption. This difference may be the result of IFRS adoption having a greater effect on short-term income statement items than on long-term balance sheet

³⁴ Blanchette, M., Racicot, F.-E, Sedzro, K., 2013.

items, as was indicated in the study on mining companies.³⁵ Therefore, managers should be aware that changes in the equity ratio may be a short-term fluctuation rather than a long-term trend.

Investors

Investors and shareholders of Canadian public banking and financial enterprises are one of the most significant users of financial statements and financial ratios. They rely on financial statement numbers to make investment decisions; therefore, they need to be aware of the differences in financial reporting. The results of the research suggest that investors exercise due care in analyzing leverage financial ratios computed under IFRS. The numbers computed from the financial statements prepared under IFRS are statistically different from those under CGAAP. The equity ratios are higher under IFRS and may lead to the incorrect interpretation that the company is more sustainable and less risky to receive future loans. At the same time, the debt ratio appears to be higher under IFRS, which indicates greater financial risk for the company.

This change could alter the overall perception of company's financial performance and position relative to the company's performance and position in prior years (appendix C). Blanchette suggests "the comparison of financial ratios under both CGAAP and IFRS for the comparative year prior to IFRS adoption may be seen as a prudent first step prior to undertaking a trend

³⁵ McConnell, 2012.

analysis of a particular company.”³⁶ Also, it is important that investors are properly informed whether the changes in financial performance are due to the adoption of IFRS or relate to a change in the issuer’s business. The uncertainty can be reduced by providing sufficient information of the company’s conversion process.³⁷

Due to differences between industries and due to increased volatility, the transition to IFRS can also impact comparisons between companies in different industries and within the same industry, respectively. Since different studies performed on IFRS versus CGAAP reporting demonstrate different effects, it is important for investors to account for and, if necessary, to use in revising their benchmark expectations of performance.

Accounting Standard Regulators

Canada plays an important role in development of IFRS Overall, no sufficient evidence of statistically significant differences in most of the financial ratios of Canadian public banking companies and financial management enterprises are exposed. Therefore, the purpose of harmonization and unification of accounting reporting standards in Canada with the international community appears to be successful. However, the International Accounting Standards Board (IASB) and Accounting Standards Board need to continue evaluate the efficiency and reliability of IFRS and make adjustments as needed. The findings of the research reveal the potential threats for Canadian public banking and financial companies that come along with the new accounting standards. The volatility of leverage ratios may affect the comparability of financial statements. Therefore it is important to investigate possible negative influences on the quality of financial statements so that improvements can be suggested and implemented timely and

³⁶ Blanchette, M., Racicot, F.-E, Sedzro, K. (2013).

³⁷ IFRS Issuer Guide - Top 10 Tips for Public Companies filing their First IFRS Interim Financial Report. (2010, November 1). Retrieved November 15, 2014, from http://www.osc.gov.on.ca/documents/en/Companies/ifrs_20101214_issuer-guide.pdf

properly. Further investigation of what causes the volatility of leverage ratios of Canadian public banking enterprises is suggested. Finally, the IFRS Discussion Group (IDG) and the Accounting Standards Board should consider the issues relating to the application and comparability of IFRSs in Canada and propose recommendations on whether particular issues should be referred to the IASB or IFRS Interpretations.³⁸

Conclusion and Recommendations

Accounting standards serve an important role of communicating financial data between the entities and their financial statements users. Accounting standards are designed to provide accurate and credible information for the decision makers in order to rely on it. Therefore, the accuracy and reliability of financial statements are very important. The objective of the research was to reveal whether the IFRS adoption in Canada influenced the comparability of financial reporting of Canadian public banking enterprises and financial management companies. This research adds to the body of the preceding analyses of IFRS adoption in Canada by indicating that IFRS conversion in Canada had statistically significant effects only on the leverage ratios of Canadian public banking and finance companies. Altogether, the research outcomes reveal no obvious deficiencies in or needed improvements of the new standards. Banking and financial management companies are an important industry sector; and the study performed on it will help answer questions about the IFRS transition and help interested parties understand the changes from it.

³⁸ IFRS General Adoption - FAQs.

APPENDIX A: DATA SAMPLES

Table #1: The first Sample

Company	Reason for exclusion
Macquarie Emerging Markets Infrastructure Income Fund	Deferral untill 2014
CS Trust	Deferral untill 2014
La Caisse Populaire de Notre Dame du Mont Carmel	No audited Fin statements
Indexplus Income Fund	Deferral untill 2014
Trident Performance Corp. II	Deferral untill 2014
LA CAISSE POPULAIRE DESJARDINS DE Sept-Iles	Audited statements on French only
BMONT Split Corp.	No audited Fin statements
Claymore Gold Bullion Trust	No audited Fin statements
Canada Dominion Resources 2010 Limited Partnership	No audited Fin statements for the year 2010-2011
Canadian Life Companies Split Corp.	GAAP only
WCSB Oil & Gas Royalty Income 2010 Limited Partnership	qualify
RBC Subordinated Notes Trust	Audited Fin Statements for the year 2011-2012 are not available
Yieldplus Income Fund	Deferral untill 2014
Equity Financial Holdings Inc. (formerly, Grey Horse Corporation)	qualify

Caterpillar Financial Services Limited	Financial Statements are not full
Just Energy Income Fund (formerly Energy Savings Income Fund)	No audited Fin statements
AGF Management Limited	GAAP only
Manulife Financial Capital Trust	No audited Fin statements
SCITI Trust	Deferral untill 2014
Australian Banc Capital Securities Trust	Deferral untill 2014
Kingsway 2007 General Partnership	No audited Fin statements
Canada Dominion Resources 2010 Limited Partnership	Deferral untill 2014
Deutsche Bank Aktiengesellschaft	qualify
Middlefield Bancorp Limited	The years of 2011 Financial statements are not available
The Toronto-Dominion Bank	
Clarington Limited Partnership 1997	GAAP only
Australian REIT Income Fund	The years of 2011 Financial statements are not available
Aston Hill Financial Inc.	
SCITI Fund	Deferral untill 2014
First Asset Energy & Resource Fund	Deferral untill 2014

Table #2: The Second Sample

Company name	Reason for exclusion
Western Pacific Trust Company	
Consolidated Firstfund Capital Corp.	
Sun Life Financial Inc.	
Canada Life Capital Trust	
RIFCO INC.	
Fairfax Financial Holdings Limited	only 2011 comparative financial Statements available
Canadian Western Bank	
Sparta Capital Ltd.	only 2011 comparative financial Statements available
Co-operators General Insurance Company	only 2011 comparative financial Statements available
Waterfront Capital Corporation	
DPF India Opportunities Fund	
Pathway 2010 GORR Limited Partnership	only 2011 comparative financial Statements available
IGM Financial Inc.	

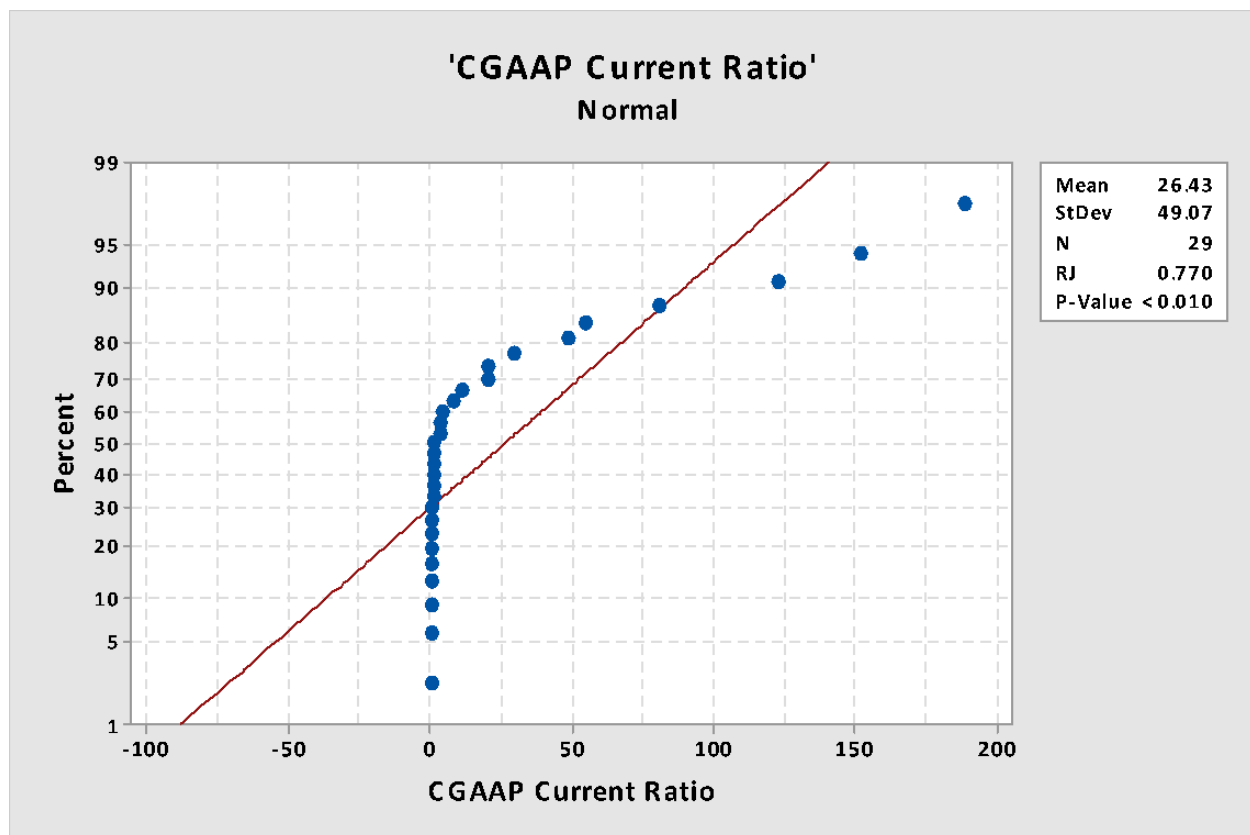
Intact Financial Corporation	
Medwell Capital Corp.	
Industrial Alliance Capital Trust	
Century Financial Capital Group Inc.	
CIBC Capital Trust	only 2011 comparative financial Statements available
Eagle Credit Card Trust	only 2011 comparative financial Statements available
CI Master Limited Partnership	
Acorn Income Corp.	
Surrey Capital Corp.	only 2011 comparative financial Statements available
Brompton Corp. (formerly Duntroon Energy Ltd.)	only 2011 comparative financial Statements available
WCSB Oil & Gas Royalty Income 2010-II Limited Partnership	only 2011 comparative financial Statements available
Matrix Asset Management Inc.	
People Corporation	
Canada Life Assurance Company, The	only 2011 comparative financial Statements available
Landmark Global Financial Corporation	
Great-West Lifeco Finance (Delaware) LP II	
WCSB Oil & Gas Royalty Income 2010 Limited Partnership	

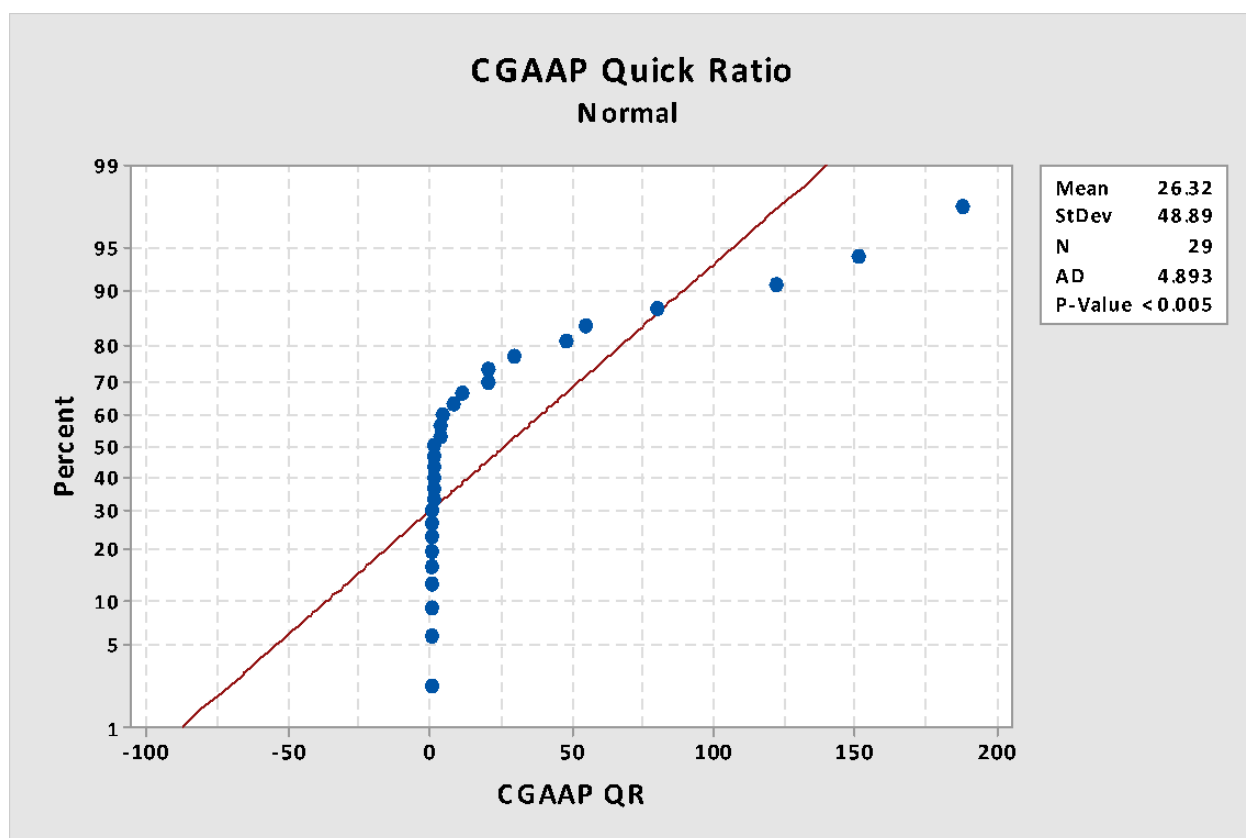
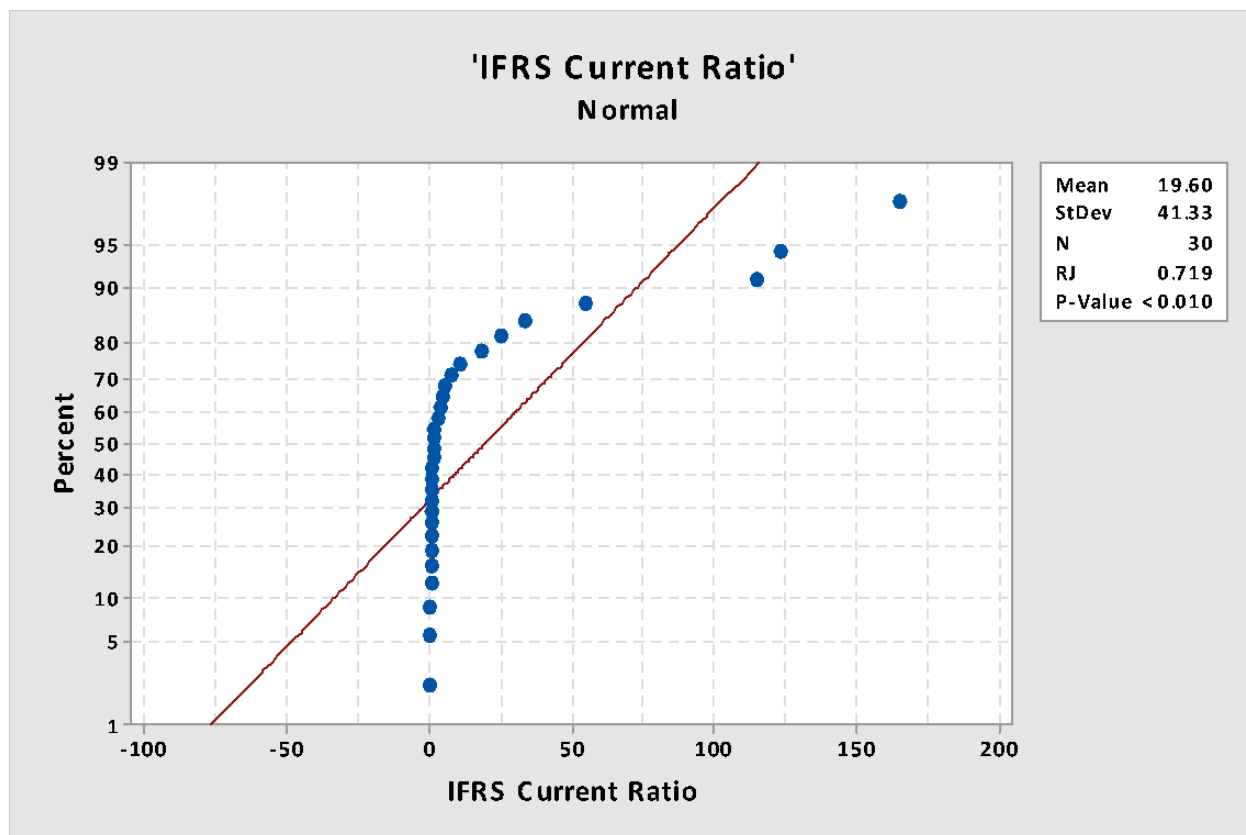
Table #3: Final Sample

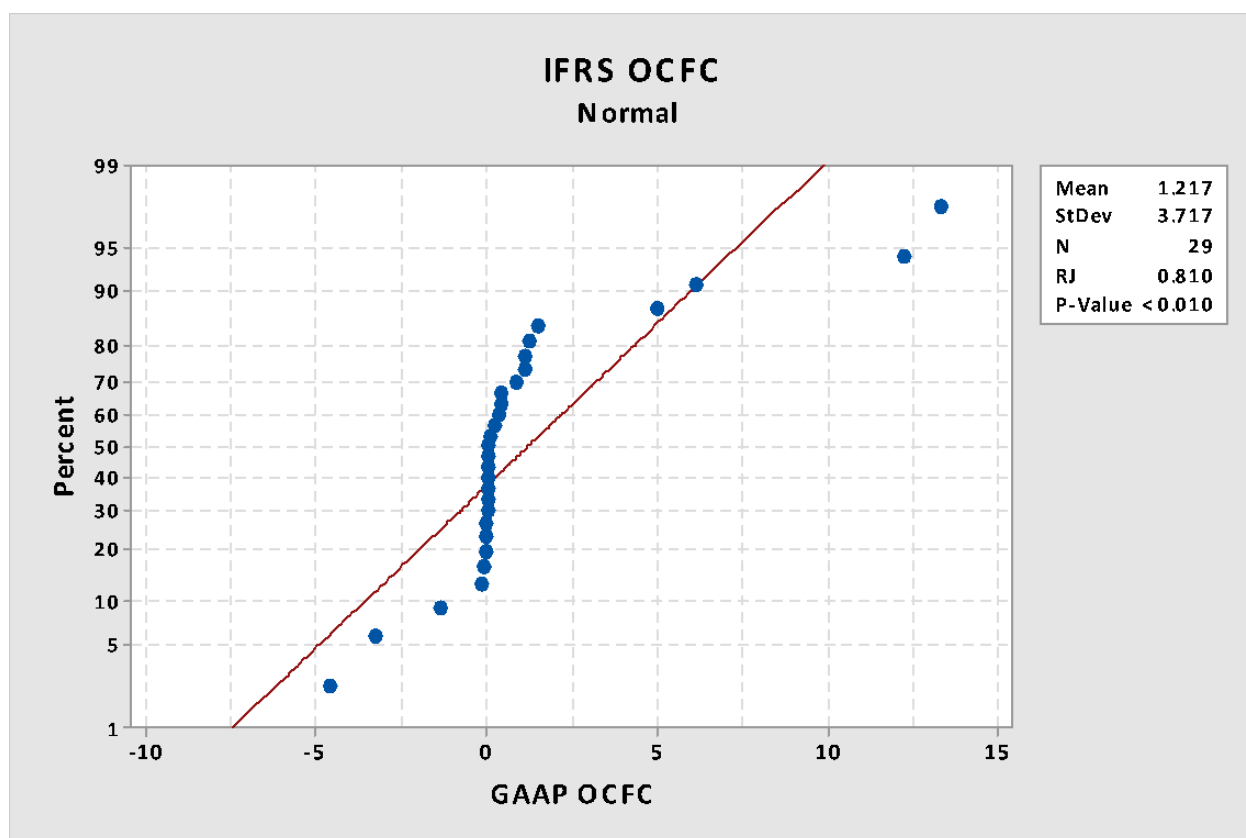
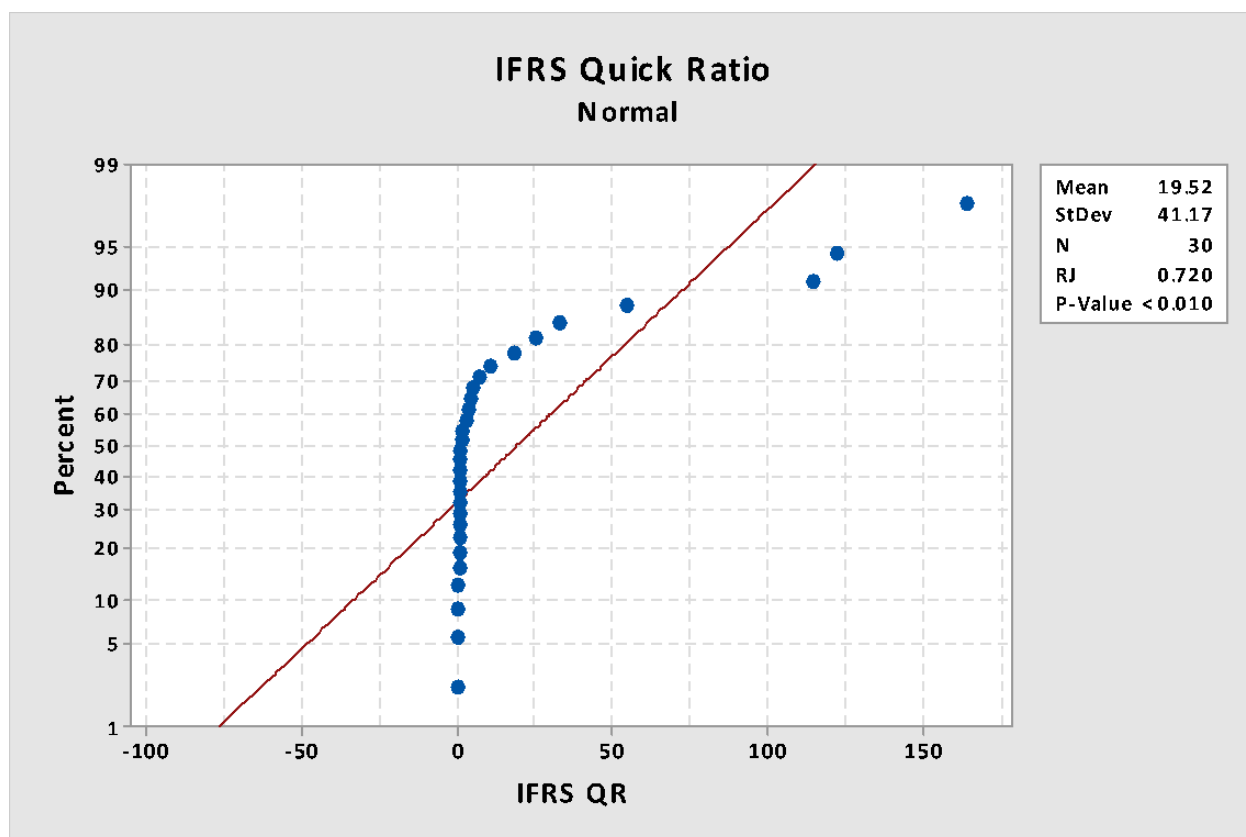
1	WCSB Oil & Gas Royalty Income 2010 Limited Partnership
2	Sun Life Financial Inc.
3	Western Pacific Trust Company
4	Consolidated Firstfund Capital Corp.
5	Canada Life Capital Trust
6	Equitable Group Inc.
7	Fairfax Financial Holdings Limited
8	CHIP Mortgage Trust
9	Home Capital Group Inc.
10	Co-operators General Insurance Company
11	Waterfront Capital Corporation
12	Sun Life Assurance Company of Canada
13	Pathway 2010 GORR Limited Partnership
14	IGM Financial Inc.

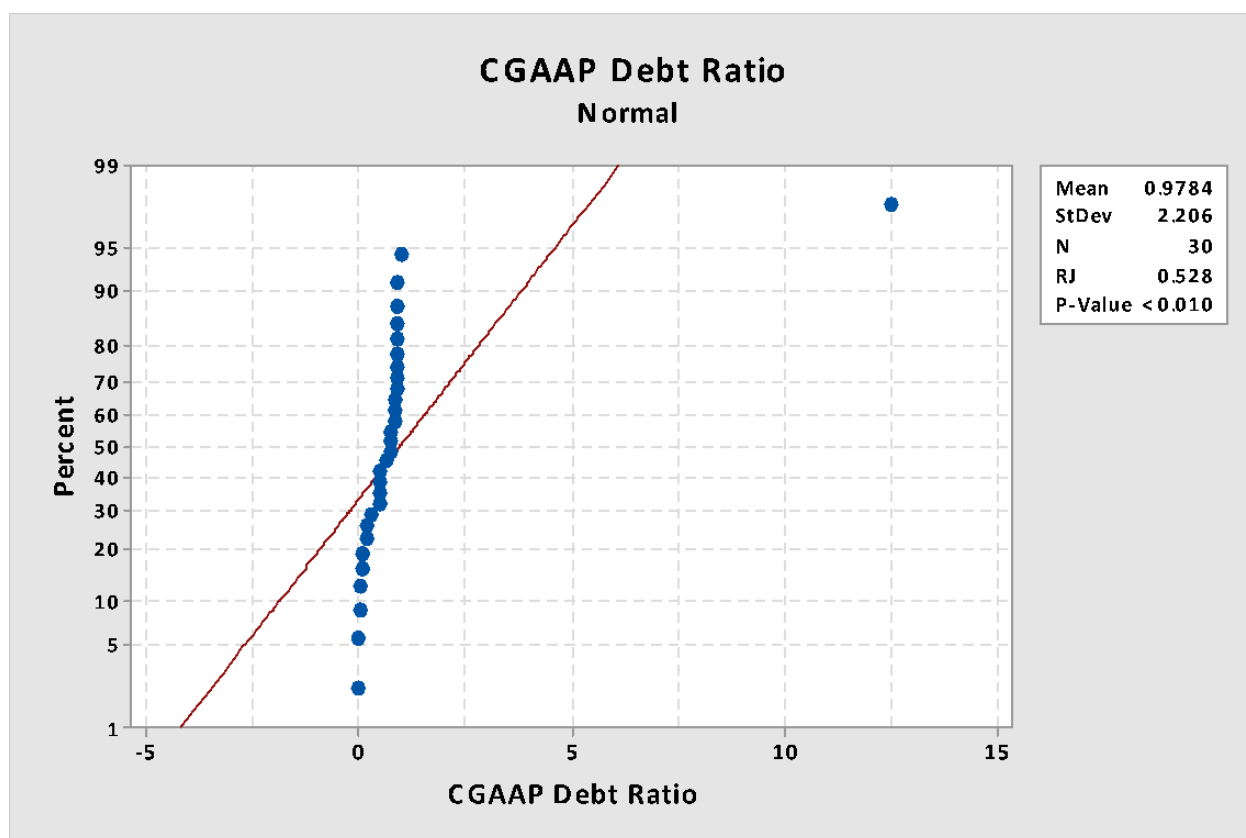
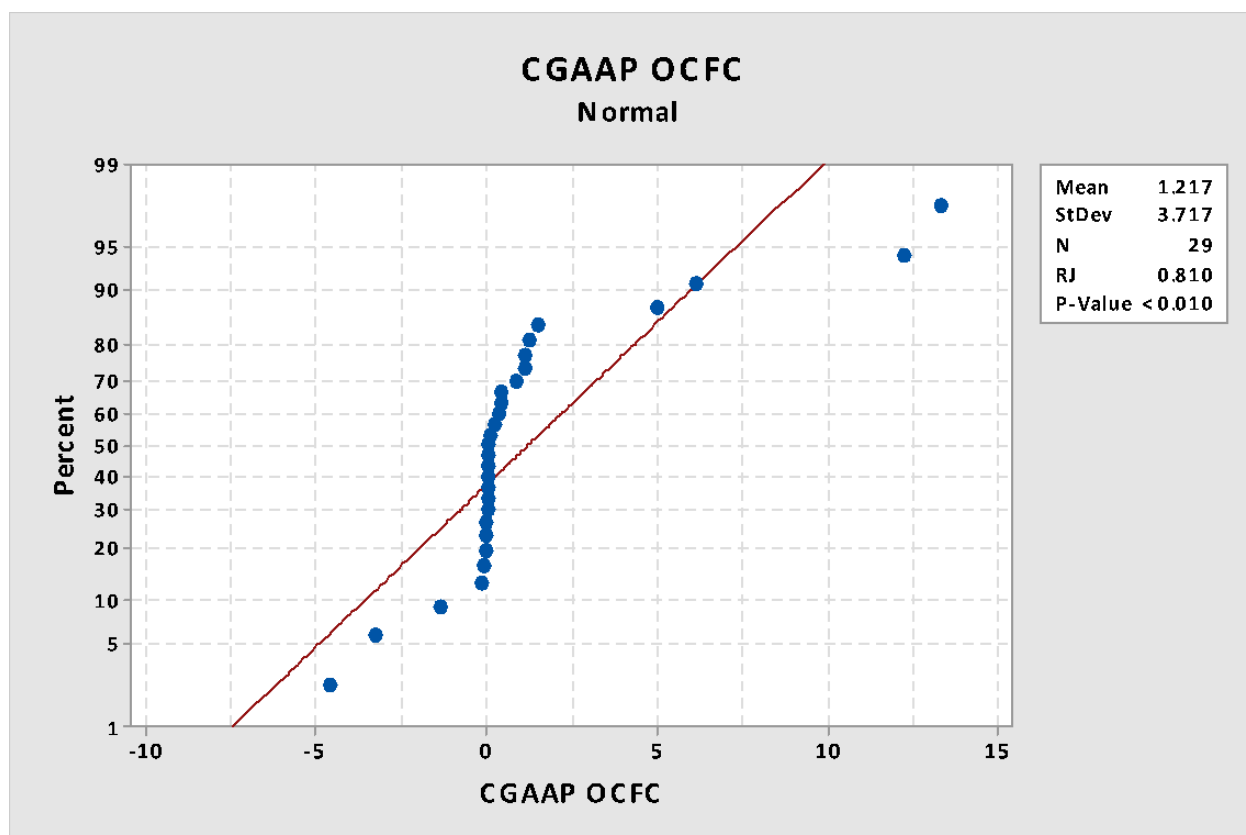
16	Intact Financial Corporation
16	Medwell Capital Corp.
17	Industrial Alliance Capital Trust
18	CI Financial Corp.
19	MCAN Mortgage Corporation
20	Eagle Credit Card Trust
21	CI Master Limited Partnership
22	HSBC Bank Canada
23	The Manufacturers Life Insurance Company
24	Guardian Capital Group Limited
25	WCSB Oil & Gas Royalty Income 2010-II Limited Partnership
26	Matrix Asset Management Inc.
27	Greencastle Resources Ltd.
28	Canada Life Assurance Company, The
29	Landmark Global Financial Corporation
30	Great-West Lifeco Finance (Delaware) LP II

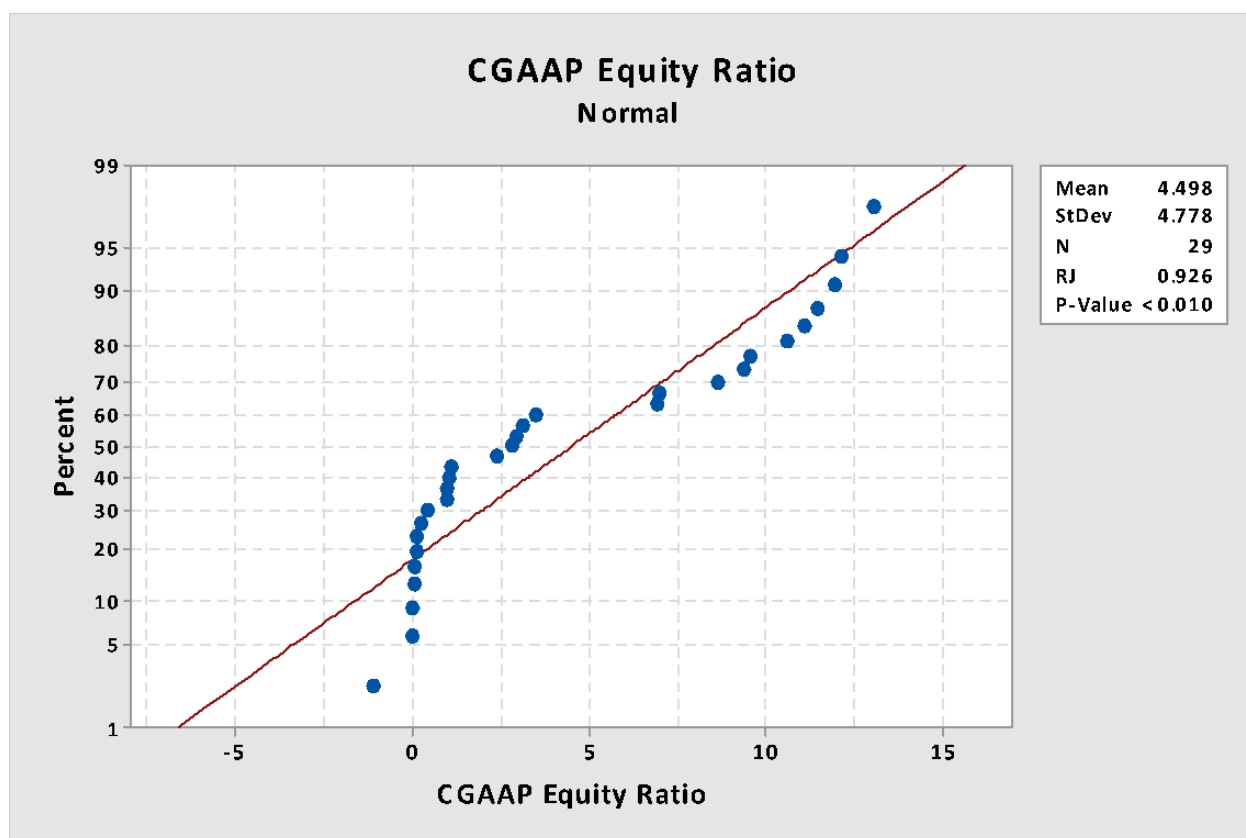
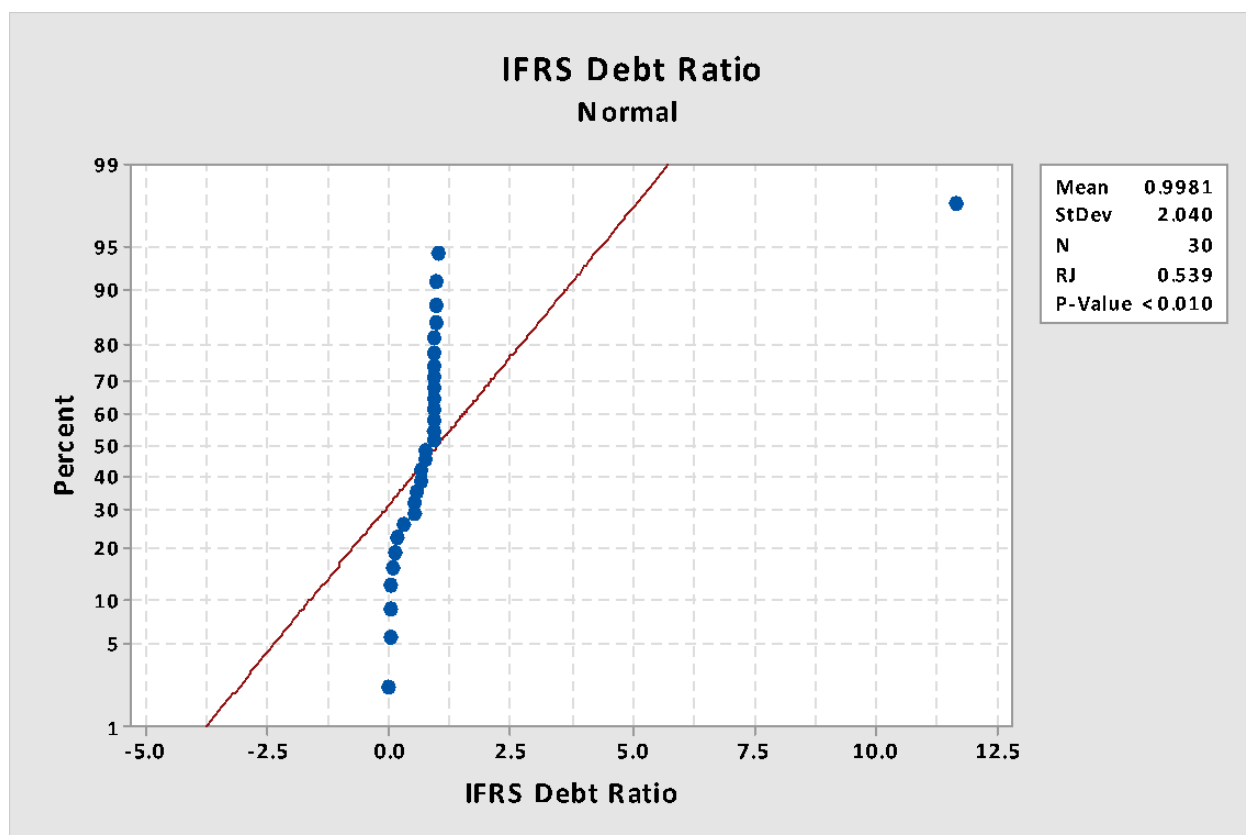
APPENDIX B: PROBABILITY PLOTS

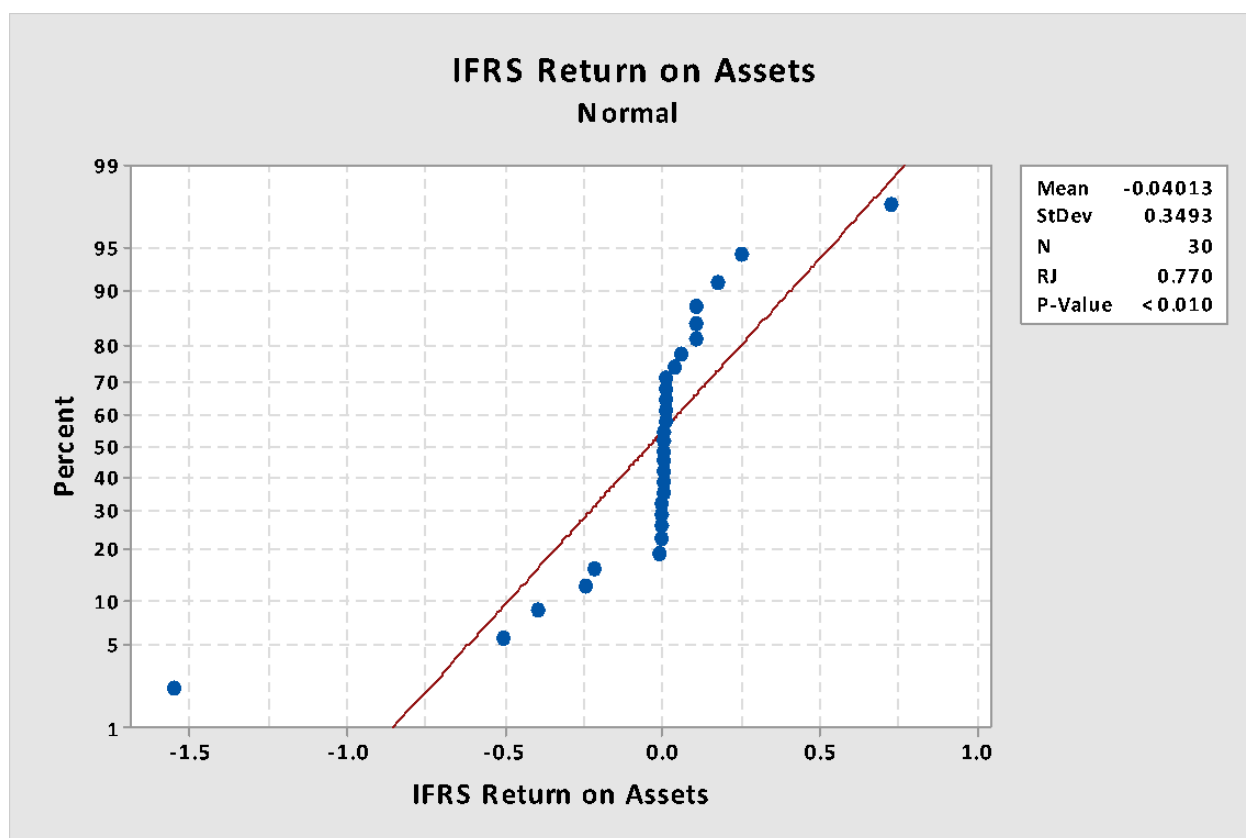
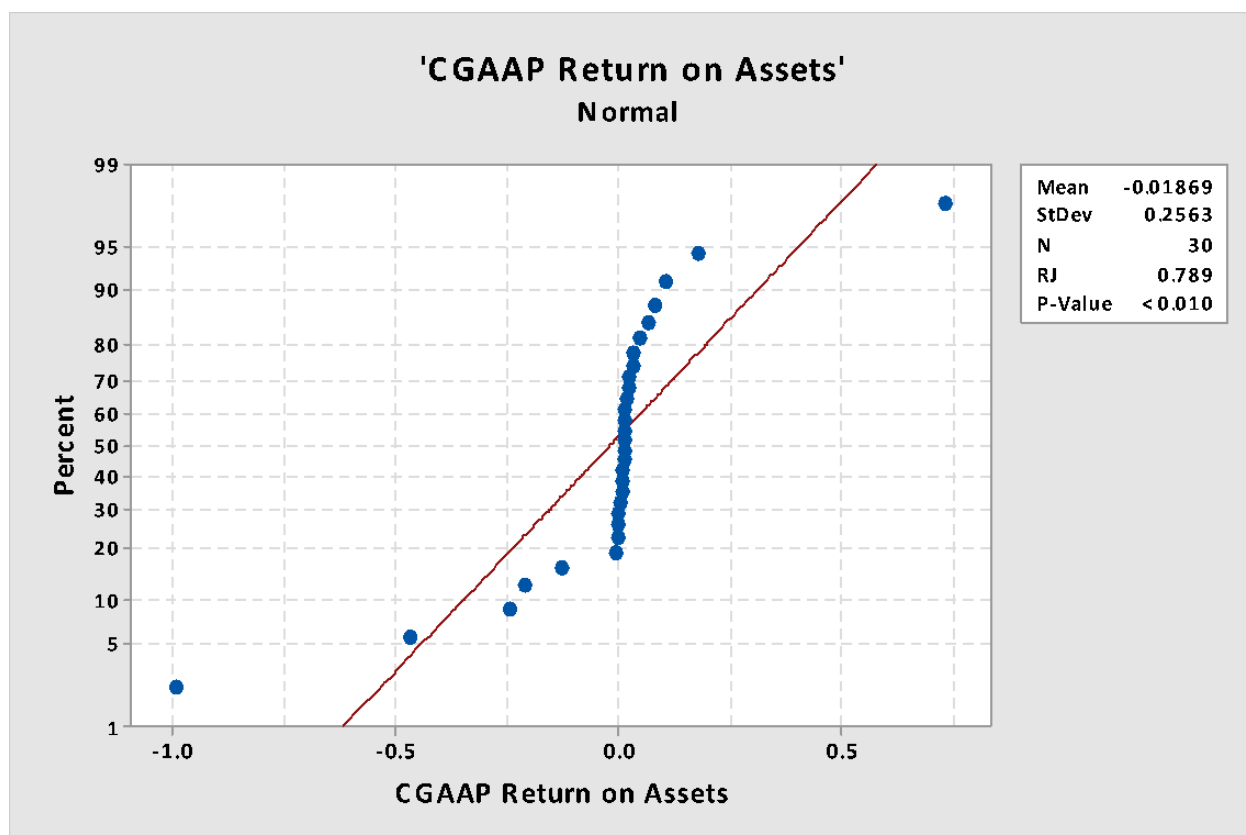


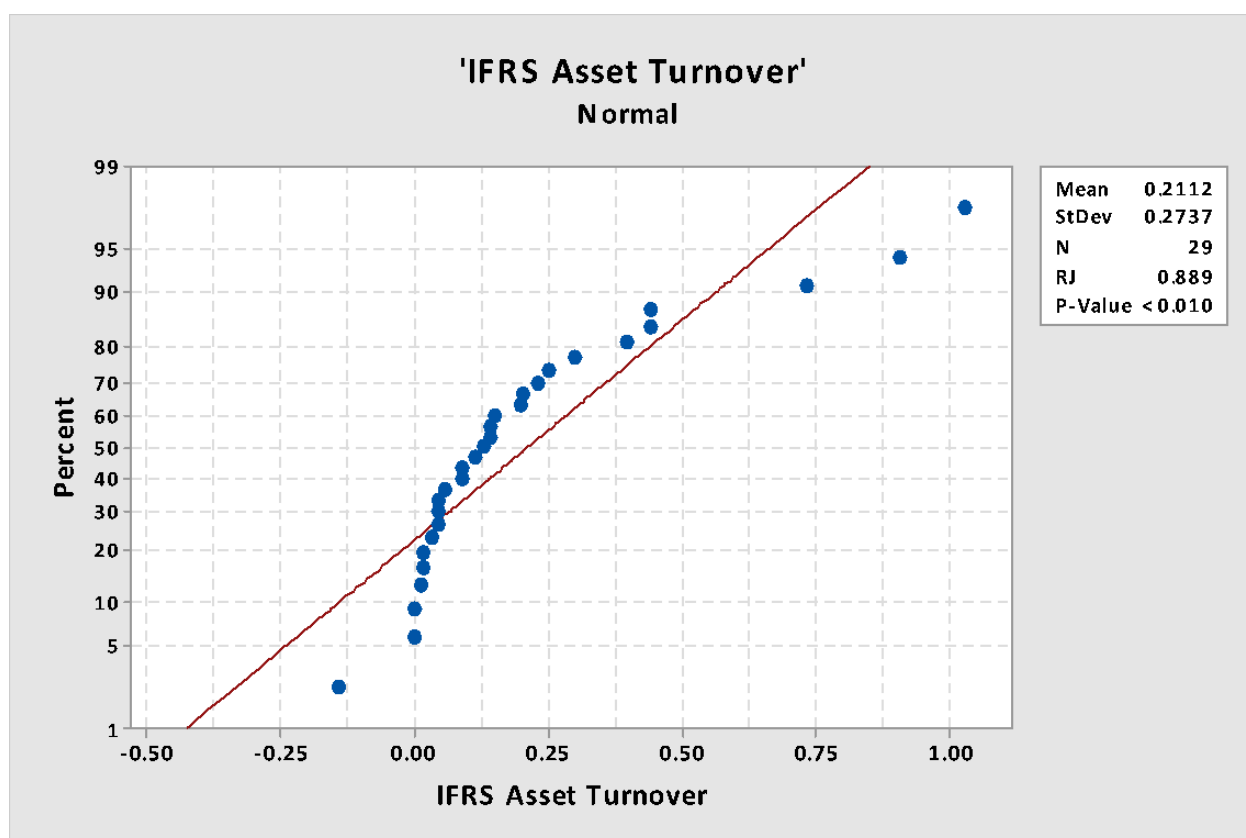
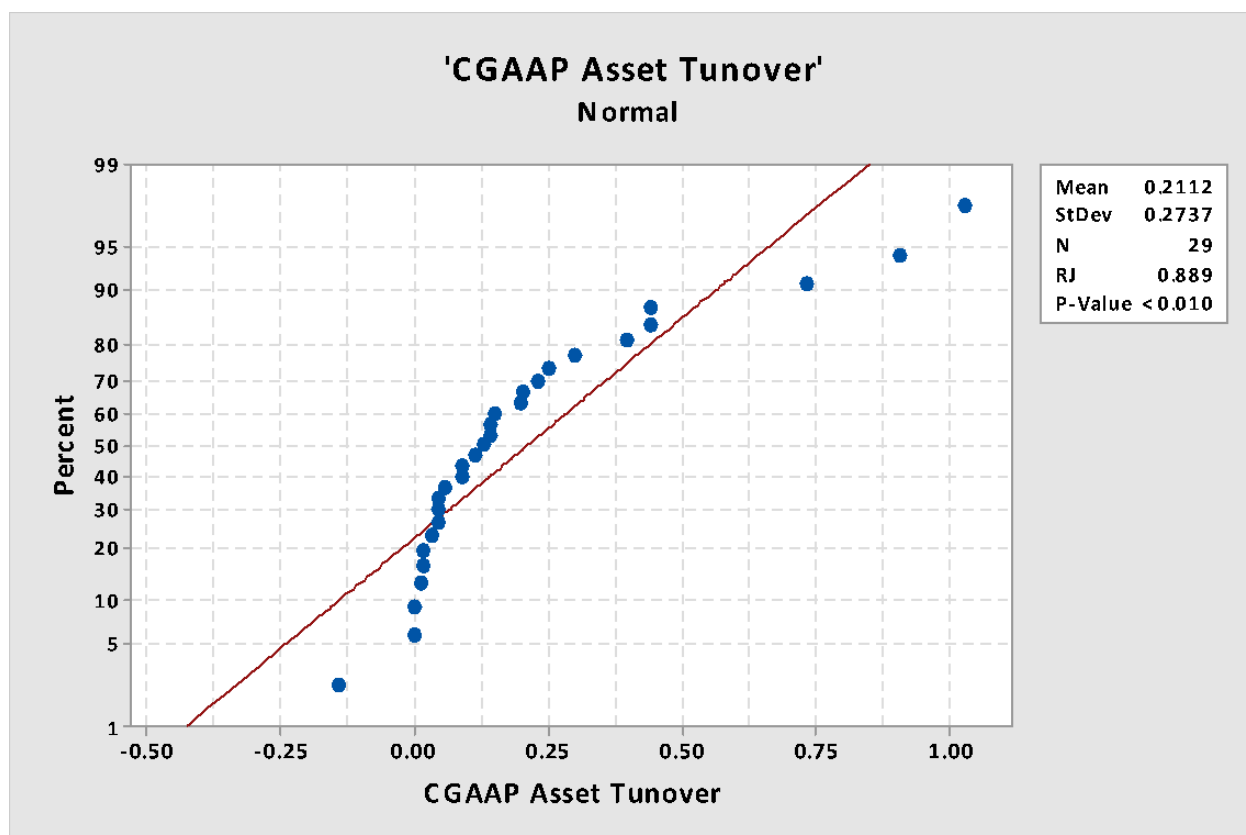


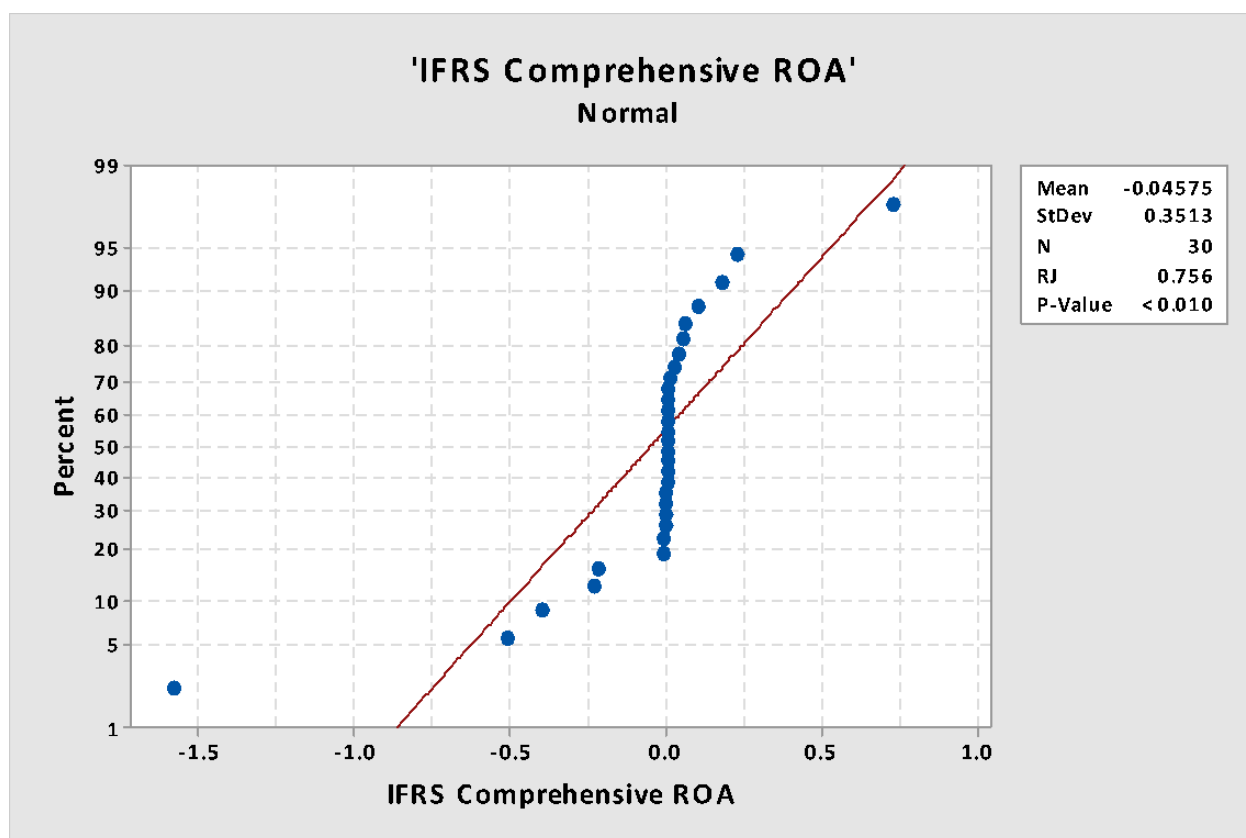
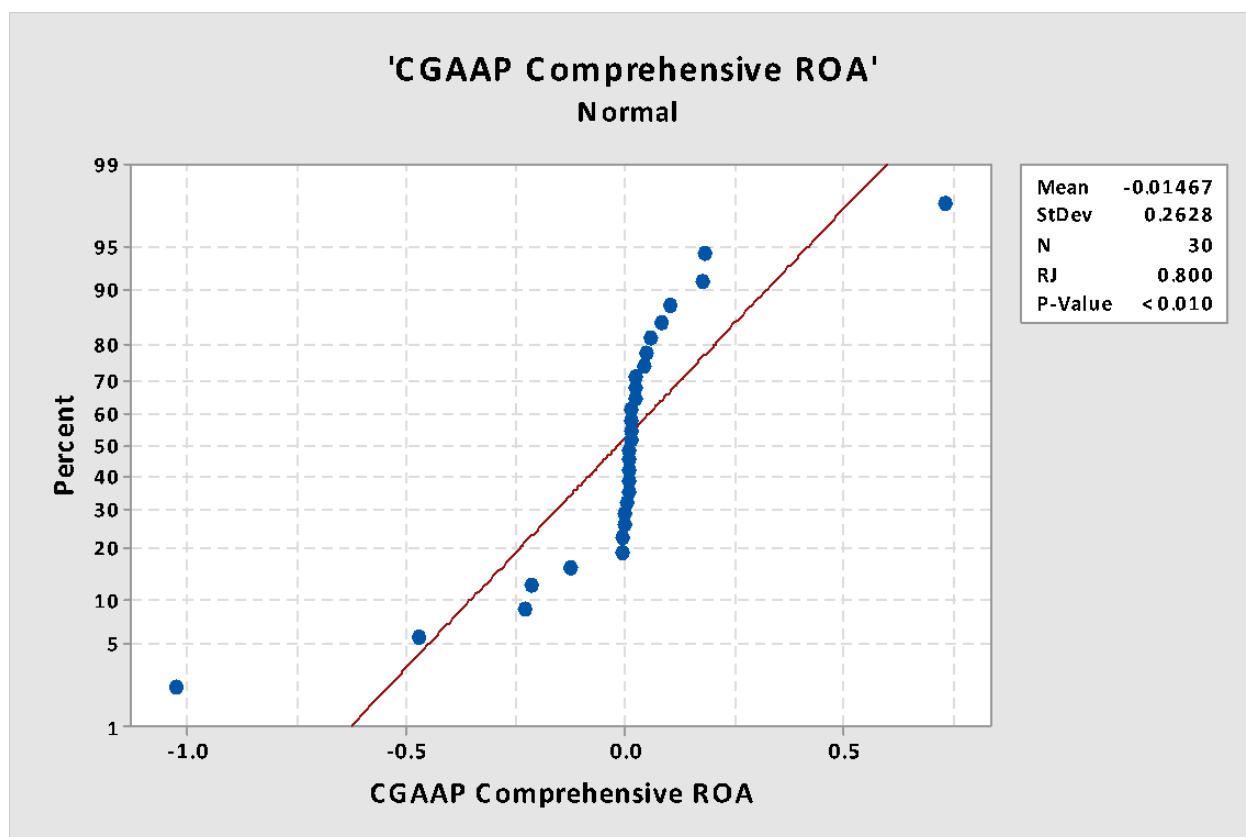












APPENDIX C: LEVENE'S TESTS

1. Current Ratio

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
CGAAP	29	737.0275	25.41474	2374.962
IFRS	29	560.7122	19.3349	1728.763

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	535.9841	1	535.9841	0.261218	0.611294	4.012973
Within Groups	114904.3	56	2051.862			
Total	115440.3	57				

2. Quick Ratio

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
CGAAP	29	734.5516537	25.32936737	2357.068943
IFRS	29	559.0317517	19.27695696	1714.984521

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	531.1592414	1	531.1592414	0.260880289	0.611523764	4.012973378
Within Groups	114017.497	56	2036.026732			
Total	114548.6562	57				

3. Operating Cash Flow Coverage Ratio

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
		53.2710793		11.6810703
GAAP OCFC	29 ³⁹	2	1.83693377	2
		49.6063470	1.71056369	9.36102946
IFRS OCFC	29	7	2	3

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
	0.23155			0.02200885	0.88259646	4.01297337
Between Groups	6	1	0.23155625	4	5	8
	589.178		10.5210498			
Within Groups	8	56	9			
	589.410					
Total	4	57				

4. Debt Ratio

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
CGAAP DR	30	20.58206	0.686069	4.438474
IFRS DR	30	19.63276	0.654425	3.747488

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.015019	1	0.015019	0.00367	0.951904	4.006873
Within Groups	237.3929	58	4.092981			
Total	237.4079	59				

³⁹ The company “Eagle Credit Card Trust” was formed in the year 2010, therefore, total equity appears to be 0, and this company has been excluded from the calculation of the equity ratio.

5. Equity Ratio

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
CGAAP ER	29 ⁴⁰	114.889	3.961689	9.49934
IFRS ER	29	199.7015	6.886258	45.22039

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	124.0201	1	124.0201	4.53292	0.03766	4.012973
Within Groups	1532.152	56	27.35986			
Total	1656.172	57				

6. Return on Assets

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
		3.39355243	0.11311841	0.05354810
CGAAP ROA	30	1	4	5
			0.15128599	0.10085739
IFRS ROA	30	4.53857992	7	6

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
	0.02185		0.02185146	0.28303999	0.59674768	4.00687
Between Groups	1	1	6	1	1	3
			0.07720275			
Within Groups	4.47776	58	1			
	4.49961					
Total	1	59				

7. Comprehensive Return on Assets

⁴⁰ The company "Eagle Credit Card Trust" was formed in the year 2010, therefore, total equity appears to be 0, and this company has been excluded from the calculation of the equity ratio

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
CGAAP Comp		3.57934270	0.11931142	0.05508
ROA	30	8	4	3
		4.41324731	0.14710824	0.10390
IFRS Comp ROA	30	4	4	3

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.01159	1	0.01158994	0.14579	0.703979419	4.00687288
	4.61061		8	8		6
Within Groups	4	58	0.07949334			
			8			
	4.62220					
Total	4	59				

8. Asset Turnover

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
		5.13649494	0.17712051	0.04922120
CGAAP AT	29	3	5	2
		5.05386677	0.17427126	0.06128873
IFRS AT	29	2	8	1

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.00011		0.00011771	0.00213037	0.96335009	4.01297337
	8	1	4	9	1	8
Within Groups	3.09427		0.05525496			
	8	56	7			
	3.09439					
Total	6	57				

IFRS VS. CGAAP Tables

Liquidity Ratios

Current Ratio			
CGAAP		IFRS	
Mean		26.43213078	
Standard Error	9.111920844	Mean	20.23345613
Median	1.648725649	Standard Error	7.782901402
Standard Deviation	49.06919545	Median	1.607426349
Sample Variance	2407.785942	Standard Deviation	41.91220673
Kurtosis	4.59287194	Sample Variance	1756.633073
Skewness	2.283787265	Kurtosis	5.785729863
Range	188.0384614	Skewness	2.54761505
Minimum	0.46317111	Range	165.0506639
Maximum		Minimum	0.048427775

Quick Ratio			
CGAAP		IFRS	
Mean	26.32043603	Mean	20.14659082
Standard Error	9.079003048	Standard Error	7.75322692
Median	1.634908743	Median	1.591337702
Standard Deviation	48.8919277	Standard Deviation	41.75240475
Sample Variance	2390.420594	Sample Variance	1743.263303
Kurtosis	4.583904165	Kurtosis	5.76046442
Skewness	2.282858003	Skewness	2.543999654
Range	187.0940015	Range	164.2138547
Minimum	0.454272738	Minimum	0.041512737
Maximum	187.5482743	Maximum	164.2553675

Operating Cash Flow Coverage Ratio			
CGAAP		IFRS	
Mean	1.216743	Mean	1.710563692
Standard Error	0.69024	Standard Error	0.568149733
Median	0.071087	Median	0.327491956
Standard Deviation	3.717056	Standard Deviation	3.059579949
Sample Variance	13.8165	Sample Variance	9.361029463

Kurtosis	5.548582	Kurtosis	6.384642164
Skewness	2.205155	Skewness	2.562160242
Range	17.84712	Range	11.84513234
Minimum	-4.54745	Minimum	0
Maximum	13.29967	Maximum	11.84513234

Leverage ratios

Debt Ratio			
CGAAP		IFRS	
Mean	0.978428407	Mean	0.998117252
Standard Error	0.402819596	Standard Error	0.372527889
Median	0.74269575	Median	0.835911868
Standard Deviation	2.206333792	Standard Deviation	2.040419279
Sample Variance	4.867908803	Sample Variance	4.163310833
Kurtosis	28.35792924	Kurtosis	27.97455626
Skewness	5.255891234	Skewness	5.202215349
Range	12.50659162	Range	11.62621334
Minimum	0.006200913	Minimum	0.006154782
Maximum	12.51279254	Maximum	11.63236813

Equity Ratio			
CGAAP		IFRS	
Mean	4.497554534	Mean	7.453755614
Standard Error	0.887342976	Standard Error	1.559740897
Median	2.818214874	Median	2.661736274
Standard Deviation	4.778488166	Standard Deviation	8.399461788
Sample Variance	22.83394916	Sample Variance	70.55095833
Kurtosis	-1.352742774	Kurtosis	-0.12412668
Skewness	0.575786824	Skewness	0.887679248
Range	14.1110549	Range	29.56362765
Minimum	-1.086859899	Minimum	-1.094052424
Maximum	13.024195	Maximum	28.46957523

Profitability ratios

Return on Assets

CGAAP		IFRS	
Mean	-0.018690923	Mean	-0.040128935
Standard Error	0.046797351	Standard Error	0.063780493
Median	0.013700016	Median	0.008986735
Standard Deviation	0.25631965	Standard Deviation	0.349340147
Sample Variance	0.065699763	Sample Variance	0.122038538
Kurtosis	8.954612203	Kurtosis	12.64463049
Skewness	-1.293910379	Skewness	-2.672389129
Range	1.720668758	Range	2.280208828
Minimum	-0.989236267	Minimum	-1.548776337
Maximum	0.731432491	Maximum	0.731432491

Comprehensive Return on Assets			
CGAAP		IFRS	
Mean	-0.014674863	Mean	-0.045746571
Standard Error	0.047976033	Standard Error	0.064129481
Median	0.01239938	Median	0.007317205
Standard Deviation	0.262775555	Standard Deviation	0.351251632
Sample Variance	0.069050992	Sample Variance	0.123377709
Kurtosis	9.067964765	Kurtosis	13.19507885
Skewness	-1.433754271	Skewness	-2.751685845
Range	1.754787868	Range	2.308362342
Minimum	-1.023355378	Minimum	-1.576929851
Maximum	0.731432491	Maximum	0.731432491

Asset Turnover			
CGAAP		IFRS	
Standard Error	0.050832137	Standard Error	0.052798037
Median	0.130246661	Median	0.088995396
Standard Deviation	0.273739437	Standard Deviation	0.284326133
Sample Variance	0.074933279	Sample Variance	0.08084135

Kurtosis	2.892267142	Kurtosis	5.371021419
Skewness	1.76496488	Skewness	2.252186466
Range	1.171804199	Range	1.264462798
Minimum	-0.142387615	Minimum	-0.130825313
Maximum	1.029416584	Maximum	1.133637485

APPENDIX D: WILCOXON SIGNED RANK TEST

Current Ratio

T	-86
n=	29
$\sigma\{T\}$	92.49324
α	0.05
Action(L)	-181.3
Action(U)	181.3
z	-0.9
Accept Null	
<i>p</i>	0.352

Quick Ratio

T	-151
n=	29
$\sigma\{T\}$	92.49324
α	0.05
Action(L)	-181.3
Action(U)	181.3
z	-1.6
Accept Null	
<i>p</i>	0.103

Operating Cash Flow Coverage Ratio

T	-54
n=	30
$\sigma\{T\}$	97.23682
α	0.05
Action(L)	-190.6
Action(U)	190.6

z	-0.6
Accept Null	
<i>p</i>	0.579

Debt Ratio

T	332
n=	30
$\sigma\{T\}$	97.23682
α	0.05
Action(L)	-190.6
Action(U)	190.6
z	3.4
Reject Null at 0.05	
<i>p</i>	0.001

Equity Ratio

T	305
n=	29
$\sigma\{T\}$	92.49324
α	0.05
Action(L)	-181.3
Action(U)	181.3
z	3.3
Reject Null at 0.05	
<i>p</i>	0.001

Return on Assets

T	-148
n=	30
$\sigma\{T\}$	97.23682
α	0.05
Action(L)	-190.6

Action(U)	190.6
z	-1.5
Accept Null	
p	0.128

Comprehensive Return on Assets

T	-188
n=	30
$\sigma\{T\}$	97.23682
α	0.05
Action(L)	-190.6
Action(U)	190.6
z	-1.9
Accept Null	
p	0.053

Asset Turnover

T	-25
n=	29
$\sigma\{T\}$	92.49324
α	0.05
Action(L)	-181.3
Action(U)	181.3
z	-0.3
Accept Null	
p	0.787

APPENDIX E: FINANCIAL RATIOS

IFRS Liquidity ratios

Current Assets	Current Liabilities	Inventory and Prepaid Exp	Operating Cash Flow	Current Ratio	Quick Ratio	OCFC
3,135,639	662,636	18,268	42,737	4.732068587	4.70449991	0.064495
108,994	106,230	78	-946	1.026019015	1.02528476	-0.00891
656,936	87,988	1,287	-400,121	7.466199936	7.45157294	-4.54745
265,253	572,689	5,096	-73,937	0.46317111	0.45427274	-0.1291
51,252	572,689	26	2,076	0.089493599	0.0894482	0.003625
799,740	4,844	4,087	-54,505	165.0990917	164.255367	-11.2521
3,017.30	1,877.10	30.2	1,039.50	1.607426349	1.5913377	0.55378
1,061,455	367,643	1,170	-2,546	2.887189475	2.88400704	-0.00693
5,292,052	6,595,979	0	-201,043	0.802314865	0.80231486	-0.03048
	168,654	4,105		1.387900672	1.3635609	0.373896
234,075			63,059			
358,895	98,861	1,365	14,581	3.630299107	3.61649184	0.14749
	2,695	49	-604	18.5380334	18.5198516	-0.22412
49,960						
4,848,770	436,739	0	0	11.10221437	11.1022144	0
2,666,856	475,960	36,449	823,733	5.603109505	5.52652954	1.730677
8,653	7,758	0	360	1.115364785	1.11536478	0.046404
40,650		235		25.48589342	25.338558	11.89154
	1,595		18,967			
18,693	15773	13	752	1.185126482	1.18430229	0.047676
453,700	495,745	95,137	576,617	0.915188252	0.72328112	1.163132
	438,732	528	477,558	1.226530091	1.22532662	1.088496
538,118						
508,993		0	-598,495	1	1	-1.17584
	508,993					
794,279	730,510	76,236	623,594	1.087293808	0.98293384	0.853642
4263	2991	186	4,426	1.425275827	1.36308927	1.479773
198,283	195,465	0	11,486	1.014416903	1.0144169	0.058762
68,653	103,190	1,142	-4,316	0.665306716	0.65423975	-0.04183
5,838,027	105,790	18,268	-340,819	55.1850553	55.0123736	-3.22166
21,412	12,788	748		1.674382233	1.6158899	0.381921
			4,884			
8,063,846	65,487	40,718	-241,317	123.136592	122.51482	-3.68496
51,252	446	26	2076	114.9147982	114.856502	4.654709
638,935	13,193,565	91,234	-858,346	0.048427775	0.04151274	-0.06506

106,642	3,185	113	5,797	33.48257457	33.4470958	1.820094
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CGAAP Liquidity Ratios

Current Assets	Current Liabilities	Inventory and Prepaid Exp.	Operating Cash Flow	Current Ratio	Quick Ratio	OCFC
3,135,639	38,695	18,268	42,737	81.03473317	80.5626308	1.10445794
109,681	99,705	260	2,864	1.100055163	1.09744747	0.028724738
714,939	87,988	648	-400,121	8.125414829	8.11805019	-4.547449652
265,253	572,689	5,096	-73,937	0.46317111	0.45427274	-0.129104977
51,737	51,537	26	2,076	1.003880707	1.00337622	0.040281739
808,295	4288	4,088	57,029	188.5016325	187.548274	13.29967351
7,753.6	1,877.30	0	33.5	4.130186971	4.13018697	0.017844777
1,066,413	21,983	1,170	-1,527	48.5108038	48.4575809	-0.069462767
3,368,549	6,522,850	0	164,771	0.516422883	0.51642288	0.025260584
235,677	144,153	0	63,059	1.634908743	1.63490874	0.437444937
358,895	98,861	1,365	14,581	3.630299107	3.61649184	0.14748991
55,745	2,669	227	3,389	20.88609966	20.8010491	1.269763957
4,848,770	436,739	0	0	11.10221437	11.1022144	0
2,516,104	561486	36,449	863,231	4.481151801	4.41623656	1.537404316
8,515.30	7,040.70	0	500.5	1.209439402	1.2094394	0.071086682
40,650	1,365	255	6,833	29.78021978	29.5934066	5.005860806
18,829	15,675	13	798	1.201212121	1.20038278	0.050909091
454,757	503,752	96,194	576,685	0.90273984	0.71178477	1.144779574
562,373		1,123	30,139			
508,993	508,993	0	1	1	1	1.96466E-06
794,279	730,510	76,236	623,594	1.087293808	0.98293384	0.853641976
3,356	3,310	0	1,481	1.013897281	1.01389728	0.447432024
196,508	177,231	0	11,447	1.108767654	1.10876765	0.064588024
68,653	102,698	1,142	27,123	0.668494031	0.65737405	0.264104462
5,838,027	105,790	18,268	-340,819	55.1850553	55.0123736	-3.221656111
21,412	12,987	748	4,884	1.648725649	1.59112959	0.376068376
8,063,846	65,487	40,718	800,955	123.136592	122.51482	12.23074809
51,419	339	26	2,076	151.6784661	151.60177	6.123893805
13,272,214	638,935	91,234	-858,346	20.77240095	20.6296102	-1.343401128
106,958	105,117	1,230	5,797	1.017513818	1.00581257	0.055148073

IFRS Leverage Ratios

Total Liabilities	Total Equity	Total Assets			Debt Ratio		Equity Ratio
662,636	16,785,124	17,447,760			0.0379783		0.03947758
194,176	16,071	210,247			0.9235613		12.0823844
87,988	626,951	714,939			0.1230706		0.14034271
612,689	828,022	\$1,109,009			0.5524653		0.7399429
89,332	7,757	97,089			0.9201042		11.5163079
8,502,674	381,455	8,884,129			0.9570633		22.2901102
20,897.10	8,673.90	31,448.10			0.6644948		2.4091931
1,080,697	96,913	1,177,610			0.9177037		11.1512078
14,890,233	628,585	15,518,818			0.9594953		23.6884956
3,689,603	1,386,164	5,045,081			0.7313268		2.66173627
142,734	657,079	799,813			0.1784592		0.21722502
150,008	10,312	160,320			0.9356786		14.5469356
436,739	4,412,031	4,848,770			0.0900721		0.0989882
7,920,042	4,317,286	12,237,328			0.6472035		1.83449556
9,106	2,969	12,075			0.7541201		3.06702593
1,595	39,139	40,734			0.0391565		0.04075219
31,580	2,528	34,108			0.9258825		12.4920886
1,640,360	1,566,074	3,206,434			0.5115839		1.04743454
3,560,946	125,079	3,686,025			0.9660667		28.4695752
1,108,993	0	1,108,993			1		#DIV/0!
730,510	63,769	794,279			0.9197146		11.4555662
73,361	4,656	78,017			0.9403207		15.7562285
399,076	29,713	428,789			0.9307048		13.4310235
135,110	332,892	468,002			0.2886953		0.40586737
105,790	17,082,470	17,188,260			0.0061548		0.0061929
21,547	21,547	41,536			0.5187548		1
105,987	8,845,021	8,951,008			0.0118408		0.01198267
89,749	7,376	97,125			0.9240566		12.1677061
13,406,281	-12,253,783	1,152,498			11.632368		-1.09405242
214,605	14,816	229,421			0.93542		14.4846787

CGAAP Leverage Ratios

Total Liabilities	Total Equity	Total Assets	Debt Ratio	Equity Ratio
662,636	18,325,461	18,988,097	0.0348974	0.03615931
184,017	17,337	201,396	0.9137073	10.6141201
87,988	626,951	714,939	0.1230706	0.14034271
612,689	566,202	\$1,178,891	0.5197164	1.08210321
54,884	7,954	63,564	0.8634447	6.90017601
4,030,004	423,462	4,453,466	0.9049141	9.51680198
21,118.50	8,742.40	31,738.20	0.6653969	2.41564101
1,085,682	98,068	1,183,750	0.9171548	11.070706
6,969,959	742,280	7,712,239	0.903753	9.38993237
3,890,788	1,380,586	5,271,374	0.7380975	2.81821487
142,734	657,079	799,813	0.1784592	0.21722502
144,803	11,118	157,462	0.919606	13.024195
436,739	4,412,031	4,848,770	0.0900721	0.0989882
4,417,034	4,475,529	8,892,563	0.496711	0.98693004
9,078.80	3,070.10	12,148.90	0.747294	2.95716752
1,365	39,369	40,734	0.0335101	0.03467195
31,113	2,562	33,675	0.9239198	12.1440281
1,651,626	1,613,640	3,265,266	0.5058167	1.02354057
449,333	129,369	578,702	0.7764497	3.47326639
1,108,993	0	1,108,993	1	#DIV/0!
730,510	63,769	794,279	0.9197146	11.4555662
14,195	4,507	71496	0.1985426	3.14954515
377,308	31,544	413,666	0.9121078	11.9613239
131,799	330,588	462,387	0.2850405	0.39868053
105,790	16,954,602	17,060,392	0.0062009	0.0062396
21,334	21,411	42,745	0.4990993	0.99640372
105,987	9,739,885	9,845,872	0.0107646	0.01088175
55,610	7,954	63,564	0.8748663	6.99145084
13,406,281	-12,334,875	\$1,071,406	12.512793	-1.0868599
115,434	13,420	131,514	0.8777316	8.60163934

IFRS Profitability Ratios

BEG Assets	END Assets	Net Income	Comprehensive Income	Net Revenue	ROA	Comprehensive ROA	Asset Turnover
0	17,447,760	-3,458,713	-3,458,713	1,889,884	-0.39646	-0.39646499	0.216633425
202,302	210,247	1,518	1,280	13,770	0.007359	0.006205323	0.066755707
1,098,986	656,936	-442,799	-442,799	121,565	-0.50435	-0.504349282	0.13846287
1,109,009	1,178,891	-277,685	-261,820	287,347	-0.24274	-0.22887364	0.251188426
97,089	97,125	10,482	753	1,062	0.107943	0.007754333	0.01093639
7,632,292.00	8,884,129	55,893	60,186	390,012	0.006768	0.00728802	0.047227181
28,148.40	31,448.10	338	474.2	5,967.30	0.011343	0.015913686	0.200256726
1,011,413	1,177,610	-661	-661	48,559	-0.0006	-0.000603922	0.044365911
11,290,586	15,518,818	154,752	150,453	308,767	0.011545	0.011223897	0.023034231
4986592	5,045,081	72,687	134,461	2,291,789	0.014492	0.026807293	0.456910627
646,616	799,813	130,813	130,813	744,489	0.180877	0.180877181	1.029416584
152,910	160,320	1,540	1,434	20,467	0.009833	0.009156211	0.130683523
0	4,848,770	-14,000	-14,000	0	-0.00577	-0.00577466	0
11,802,737	12,237,328	740,804	710,033	2,608,687	0.061631	0.059070805	0.217028282
11,351.30	12,075	2,969	536	4,788	0.253476	0.045760534	0.408771338
52,673	40,734	-9,864	-9,864	-6,110	-0.2112	-0.211204728	-0.130825313
29,295	34,108	277	302	7,005	0.008738	0.009526363	0.220967462
2,940,942	3,206,434	328,568	328,982	1,379,747	0.106897	0.107031683	0.448889738
3,562,704	3,686,025	26,658	26,626	38,064	0.007355	0.007346391	0.010502255
506,561	1,108,993	1	1	23,821	1.24E-06	1.23797E-06	0.029489574
794,841	794,279	581,167	581,167	900,743	0.731432	0.731432491	1.133637485
78,780	78,017	618	568	2,227	0.007883	0.007245037	0.028406156
410,248	428,789	-854	-1,692	36,978	-0.00204	-0.004033195	0.088143908
443,591	468,002	17,091	30,707	65,293	0.037497	0.067369978	0.143250332
0	17,188,260	22,547	22,547	764,838	0.002624	0.002623535	0.088995396
37,505	41,536	365	206	1,214	0.009236	0.005212485	0.030718235
6,947,841	8,951,008	877,464	1,855,395	2,632,759	0.110381	0.233399915	0.331188629
97,089	97,125	1094	753	1329	0.011266	0.007754333	0.013685934
1,039,200	1,152,498	-1,697,225	-1,728,077	(708,801)	-1.54878	-1.576929851	-0.646805354
128,369	229,421	1,701	1,223	1,964	0.009508	0.006836412	0.010978507

CGAAP Profitability Ratios

BEG Assets	END Assets	Net Income	Comprehensive Income	Net Revenue	ROA	Comprehensive ROA	Asset Turnover
0	17,447,760	-3,458,713	-3,458,713	1,889,884	-0.39646	-0.39646499	0
202,302	210,247	1,518	1,280	13,770	0.007359	0.006205323	0.066755707
1,098,986	656,936	-442,799	-442,799	121,565	-0.50435	-0.504349282	0.13846287
1,109,009	1,178,891	-277,685	-261,820	287,347	-0.24274	-0.22887364	0.251188426
97,089	97,125	10,482	753	1,062	0.107943	0.007754333	0.01093639
7,632,292.00	8,884,129	55,893	60,186	390,012	0.006768	0.00728802	0.047227181
28,148.40	31,448.10	338	474.2	5,967.30	0.011343	0.015913686	0.200256726
1,011,413	1,177,610	-661	-661	48,559	-0.0006	-0.000603922	0.044365911
11,290,586	15,518,818	154,752	150,453	308,767	0.011545	0.011223897	0.023034231
4986592	5,045,081	72,687	134,461	2,291,789	0.014492	0.026807293	0.456910627
646,616	799,813	130,813	130,813	744,489	0.180877	0.180877181	1.029416584
152,910	160,320			20,467	0.009833	0.009156211	0.130683523
0	4,848,770	1,540	1,434				
0	4,848,770	-14,000	-14,000	0	-0.00577	-0.00577466	0
11,802,737	12,237,328	740,804	710,033	2,608,687	0.061631	0.059070805	0.217028282
11,351.30	12,075	2,969	536	4,788	0.253476	0.045760534	0.408771338
52,673	40,734	-9,864	-9,864	-6,110	-0.2112	-0.211204728	-
							0.130825313
29,295	34,108	277	302	7,005	0.008738	0.009526363	0.220967462
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37,505	41,536	365	206	1,214	0.009236	0.005212485	0.030718235
6,947,841	8,951,008	877,464	1,855,395	2,632,759	0.110381	0.233399915	0.331188629
97,089	97,125	1094	753	1329	0.011266	0.007754333	0.013685934
1,039,200	1,152,498	-1,697,225	-1,728,077	(708,801)	-1.54878	-1.576929851	-
							0.646805354
128,369	229,421	1,701	1,223	1,964	0.009508	0.006836412	0.010978507

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