



At what stage of the IFRS Conversion is your company?

OUR GROUP

G.R Moss Appraisals Inc. can assist your company in adopting IFRS 1 and specifically addressing the valuation issues relating to **Accounting Policies IAS-16 and IAS-36**

Our group has provided value opinions in virtually every industry sector in Canada. We are recognized by major accounting and business valuation firms. Our valuation experience, industry knowledge, and valuation certifications places us at the forefront of the machinery and equipment valuation industry in Canada.



IFRS: The changeover to International Financial Reporting Standards

Public companies in Canada will be required to prepare an opening IFRS balance sheet at the date of transition to IFRS. The change over in 2010 poses challenges for corporate Canada.

The state of readiness for this transition varies widely with the vast majority of companies. Some companies have only completed the first diagnostics stage and others are reviewing their options.

IFRS-1 : The Impact on the Value of your Machinery and Equipment

G.R. Moss Appraisals Inc. can assist you in your review and valuation process and participate in the recommendation of the appropriate valuation methodology that will meet the test of your auditors and accounting advisers.

IFRS 1 has two accounting policies that can specifically impact the fair value of your company's machinery and equipment.

Accounting Policy IAS-16

IAS- 16 is to prescribe the accounting treatment for machinery and equipment so that the users of the financial statements can recognize information about an entity's investment in its machinery and equipment and the changes in said investment.



Valuation Choices

Machinery and Equipment that qualifies for recognition as an asset has two valuation reporting choices. i.e. the Cost Model or the Revaluation Model.

Cost Model: Machinery and Equipment can be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation Model: Machinery and Equipment can be carried at **fair value**, a revalued amount, at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Accounting Policy IAS-36

To determine whether the Machinery and Equipment are impaired the company must apply **Accounting Policy IAS-36: Impairment of Assets**.

The objective of Accounting Policy IAS-36 is to prescribe the procedures that the company applies to ensure that the Machinery and Equipment are carried at no more than their recoverable amount. This accounting policy requires the company to recognize an impairment loss.

Valuation & Consulting Services

G.R. Moss Appraisals Inc. can assist you throughout your IFRS conversion in the following areas:

- Cost Model Depreciation Analysis
- Cost Componentization
- Revaluation at Fair Value
- Impairment Loss Valuation
- Selection of the appropriate Premise of Value



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