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June 8, 2011

Headnote

The Filer has applied for relief from the requirement that it prepares its financial statements in accordance with Canadian GAAP - the Filer wants to begin using IFRS-IASB for the annual financial statements beginning with the formation of the Filer on March 8, 2010 - the Filer can therefore also use IFRS financial statements for the target in its BAR - a reporting issuer wants to early adopt IFRS for purposes of preparing its financial statements - the issuer has assessed the readiness of its staff, board, audit committee, auditors and investors; the issuer will provide detailed disclosure regarding its early adoption of IFRS as set out in CSA Staff Notice 52-320 in a news release or in restated and re-filed MD&A for its most recent interim period to be disseminated or re-filed within seven days of the decision; the issuer will restate and re-file any financial statements prepared in accordance with Canadian GAAP for interim periods for the fiscal year in which they intend to adopt IFRS together with related interim MD&A and certificates required by NI 52-109

Applicable British Columbia Provisions

National Instrument 52-107, s. 5.1

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Churchill 10 Real Estate Limited Partnership
(the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer

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from the requirements in sections 4.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that its financial statements be prepared in accordance with Canadian generally accepted accounting principles determined with reference to Part V of the Handbook of the Canadian Institute of Chartered Accountants (the Handbook) applicable to public enterprises (Canadian GAAP – Part V) in order that the Filer may prepare its financial statements for financial periods beginning on or after formation (the Exemption Sought) in accordance with Canadian GAAP applicable to publicly accountable enterprises.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan and Manitoba, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is a limited partnership formed on March 8, 2010 pursuant to the *Partnership Act* (British Columbia) and Churchill 10 Partners Inc. is its general partner;
 - 2. the head office of the Filer is located at Suite 1010 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1;
 - 3. the Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario;
 - 4. as of June 1, 2011, the Filer is in default of its continuous disclosure obligations with regard to the requirement to file a business acquisition report pursuant to Part 8 of National Instrument 51-102 - *Continuous Disclosure*

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Obligations (NI 51-102) and in default of the requirement to file financial statements, management discussion and analysis, and certifications for its financial year ended December 31, 2010; the Filer is not otherwise in default of securities legislation in any jurisdiction;

5. the Filer's common shares are not listed on any stock exchange;
6. the Filer's primary business is the acquisition and operation of a portfolio of revenue-producing real estate properties in Canada (or interests in such properties);
7. the Filer's interim financial statements for the quarters ended March 31, 2010, June 30, 2010 and September 30, 2010 have been prepared in accordance with Canadian GAAP- Part V;
8. the Accounting Standards Board approved the incorporation of International Financial Reporting Standards (IFRS) into Part I of the Handbook;
9. first-time adoption of Part I of the Handbook is mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2011 by most publicly accountable enterprises;
10. the Filer is a publicly accountable enterprise;
11. the Filer intends to prepare its audited annual financial statements for the year ended December 31, 2010 in accordance with Canadian GAAP applicable to publicly accountable enterprises;
12. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS;
13. the Filer will include disclosure relating to its adoption of IFRS in its annual management's discussion and analysis for its fiscal year ended December 31, 2010;
14. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107 for financial years beginning before January 1, 2011, a domestic issuer must use Canadian GAAP – Part V with the exception that an SEC registrant may use US GAAP; under NI 52-107 for financial years beginning before January 1, 2011, only foreign issuers may use IFRS;

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15. in CSA Staff Notice 52-321 - *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to adopt IFRS for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 4.2 of NI 52-107;
16. subject to obtaining the Exemption Sought, the Filer intends to adopt IFRS in respect of its financial statements for periods beginning on and after formation;
17. the Filer believes that adoption of IFRS will provide users of its financial statements with significantly more disclosure, which will enhance their understanding of the Filer's results from operations and its financial position and will eliminate complexity and costs from the Filer's financial statement preparation process;
18. the Filer has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS for financial periods beginning on and after formation and has concluded that they will be adequately prepared for the Filer's adoption of IFRS for financial periods beginning on and after formation;
19. the Filer has considered the implications of adopting IFRS for periods beginning on or after formation on its obligations under the Legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward-looking information and has concluded that if the Exemption Sought is granted, it will continue to be able to fulfil these obligations;
20. the Filer will communicate its IFRS implementation plans to investors as contemplated by CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards* by disclosing relevant information about its adoption of IFRS in a news release not more than seven days after the date of the decision approving such early adoption application and no earlier than re-filing its fiscal 2010 interim financial reports that comply with Part 3 of NI 52-107 and no earlier than filing its fiscal 2010 annual financial statements prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises including:
 - (a) the key elements and timing of the Filer's adoption plan;

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- (b) the accounting policy and implementation decisions the Filer has made or will have to make;
- (c) major identified differences between the Filer's current accounting policies and those the Filer is required or expects to apply in preparing its financial statements in accordance with Canadian GAAP applicable to publicly accountable enterprises; and
- (d) the impact of adopting IFRS on the key line items in the Filer's previously filed interim financial statements for the periods ending March 31, 2010, June 30, 2010 and September 30, 2010.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer:

- (a) files its annual financial statements for periods relating to financial years beginning on or after formation prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises;
- (b) complies with Part 3 of NI 52-107 for financial statements, financial information, operating statements and pro forma financial statements for periods relating to the year ending December 31, 2010;
- (c) complies with the IFRS-related amendments to NI 51-102 that came into force on January 1, 2011 and that apply to documents required to be prepared, filed, delivered or sent under NI 51-102 for periods relating to the year ending December 31, 2010;
- (d) complies with the IFRS-related amendments to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* that came into force on January 1, 2011 and that apply to annual filings and interim filings for periods relating to the year ending December 31, 2010;
- (e) complies with the IFRS-related amendments to National Instrument 52-110 *Audit Committees* that came into force on January 1, 2011 and that apply to periods relating to the year ending December 31, 2010;

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- (f) complies with Part 3 of NI 52-107 for interim financial reports for interim periods relating to the year ending December 31, 2010, except that if the Filer files interim financial statements prepared in accordance with Canadian GAAP – Part V for one or more interim periods relating to the year ending December 31, 2010, the Filer will restate and re-file those interim financial reports to comply with Part 3 of NI 52-107; together with the related restated interim management’s discussion and analysis and the certificates required by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*; and
- (g) provides the communication set out in paragraph 20.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission