Discontinued Operations

A discontinued operation is a component of our business that has operations and cash flows that are clearly distinguished from the rest of Rogers and:

- represents a separate major line of business
- is part of a single coordinated plan to dispose of a separate major line of business, or
- is a subsidiary we have acquired with the intention to re-sell.

When we classify a component as a discontinued operation, we restate our comparative income and comprehensive income as though the operation had been discontinued from the start of the comparative year.

See note 6 for information about discontinued operations.

New Accounting Pronouncements Effective in 2013

We adopted the following accounting changes for our 2013 consolidated financial statements on January 1, 2013.

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interest in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 19, Employee Benefits (2011)
- IAS 28, Investments in Associates and Joint Ventures
- IAS 36, Impairment of Assets

The accounting pronouncements we adopted that had an impact on our financial results or require further explanation are explained as follows:

- *IFRS 10, Consolidated Financial Statements (IFRS 10)* – As a result of the adoption of IFRS 10, we have changed our approach to determining whether we have control over and consequently whether we consolidate our investees. IFRS 10 introduces a new control model that is applicable to all investees. Among other things, it requires the consolidation of an investee if we control the investee on the basis of de facto circumstances. In accordance with the transitional provisions of IFRS 10, we re-assessed the control conclusion for our investees at January 1, 2013. We made no changes in the current or comparative period as a result of this assessment.
- *IFRS 11, Joint Arrangements (IFRS 11)* – As a result of the adoption of IFRS 11, we have changed how we evaluate our interests in joint arrangements. Under IFRS 11, we classify our interests in joint arrangements as either joint operations or joint ventures depending on our right to the assets and obligations for the liabilities of the arrangements. When making this assessment, we consider the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. We have re-evaluated our involvement in our joint arrangements and have accounted for these either using the proportionate consolidation method, or the equity method depending on whether the investment is defined as a joint operation or a joint venture, respectively. The adoption of IFRS 11 was not material to the current or comparative year.
- *IFRS 13, Fair Value Measurement (IFRS 13)* – On January 1, 2013, we adopted IFRS 13, on a prospective basis, which provides a single source of guidance on how fair value is measured, replacing the fair value measurement guidance contained in individual IFRSs. IFRS 13 defines fair value and establishes a framework for measuring fair value. It does not introduce new fair value measurements or eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. We have incorporated the relevant fair value requirements throughout these consolidated financial statements.
- *IAS 19, Employee Benefits (2011) (IAS 19)* – On January 1, 2013, we adopted IAS 19, which changes the basis for determining the income or expense related to defined benefit plans. This amendment eliminated the concept of return on plan assets and interest cost (income) and replaced it with a net interest cost that is calculated by applying the discount rate to the net liability (asset). The net interest cost takes into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. The adoption of the amended standard resulted in an increase in finance costs of $7 million and a decrease in other comprehensive income, for a net effect of nil in comprehensive income for the year ended December 31, 2012 and did not have a material impact on net assets as at December 31, 2012. See note 22 for more information about our pension plans.
- *IAS 36, Impairment of Assets (IAS 36)* – In May 2013, the IASB amended IAS 36 to clarify the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, to clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where the recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendments are effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. We early adopted this policy as of January 1, 2013 and made the required disclosures.

Recent Accounting Pronouncements

The IASB has issued new standards and amendments to existing standards. These changes in accounting are not yet effective at December 31, 2013, and could have an impact on future periods.

- *IAS 32, Financial Instruments: Presentation (IAS 32)* – In December 2011, the IASB amended IAS 32 to clarify the meaning of when an entity has a current legally enforceable right of set-off. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. We do not expect this to have a significant impact on our consolidated financial statements.
- *IAS 39, Financial Instruments: Recognition and Measurement (IAS 39)* – In June 2013, the IASB amended IAS 39 to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. We are assessing the impact of this amendment on our consolidated financial statements.