IBI Group 2014
Annual Financial Statements

TWELVE MONTHS ENDED
DECEMBER 31, 2014

Consolidated Financial Statements of

IBI GROUP INC.

Years Ended December 31, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of IBI Group Inc.

We have audited the accompanying consolidated financial statements of IBI Group Inc., which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, the consolidated statements of comprehensive loss, cash flows and changes in equity for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of IBI Group Inc. as at December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
March 19, 2015

IBI GROUP INC.

Consolidated Statement of Financial Position

(thousands of Canadian dollars)	Notes	December 31, 2014	December 31, 2013
Assets			
Current Assets			
Cash	*6*	$ 10,342	$ 8,066
Accounts receivable	*6,12*	106,451	104,791
Work in process	*5*	85,371	93,082
Prepaid expenses and other current assets		9,460	8,990
Income taxes recoverable	*9*	806	1,880
Total Current Assets		$ 212,430	$ 216,809
Other assets		1,139	-
Property and equipment	*7*	12,780	6,559
Investment in equity accounted investee	*20*	817	-
Intangible assets	*8*	5,317	4,672
Deferred tax assets	*9*	19,580	14,221
Total Assets		$ 252,063	$ 242,261
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	*12*	57,449	43,733
Deferred revenue	*5*	28,002	13,791
Vendor notes payable	*19*	5,013	5,381
Income taxes payable	*9*	1,397	470
Finance lease obligation	*12*	693	-
Credit facilities	*6*	10,000	-
Onerous lease provisions	*18*	687	-
Due to related parties	*10*	10,000	-
Convertible debentures	*6*	-	44,831
Total Current Liabilities		$ 113,241	$ 108,206
Onerous lease provisions	*18*	4,051	-
Due to related parties	*10*	-	10,000
Consent fee notes payable	*19*	2,631	-
Finance lease obligation	*12*	235	-
Credit Facilities	*6*	63,423	85,479
Convertible debentures	*6*	98,437	71,929
Deferred tax liabilities	*9*	8,690	2,016
Total Liabilities		$ 290,708	$ 277,630
Equity			
Shareholders' Equity			
Share capital	*11*	235,036	234,358
Contributed surplus	*11*	2,106	-
Deficit		(279,546)	(277,088)
Convertible debentures – equity component	*6*	5,852	5,852
Accumulated other comprehensive loss		(3,398)	(3,114)
Total Shareholders' Equity		$ (39,950)	$ (39,992)
Non-controlling interest	*11*	1,305	4,623
Total Equity		$ (38,645)	$ (35,369)
Total Liabilities and Equity		$ 252,063	$ 242,261

See accompanying notes to the consolidated financial statements.

IBI GROUP INC.

Consolidated Statement of Comprehensive Loss

(thousands of Canadian dollars, except per share amounts)	Notes	Year ended December 31, 2014	2013 (restated – Note 18)
Revenue		$ 298,274	$ 257,386
Salaries, fees and employee benefits		212,180	214,158
Rent	*14,18*	26,848	20,058
Other operating expenses		38,837	36,494
Foreign exchange gain		(2,089)	(418)
Amortization of intangible assets	*8*	819	5,397
Amortization of property and equipment	*7*	2,669	1,937
Impairment of property and equipment	*7,18*	3,248	-
Impairment of goodwill and intangible assets	*8*	-	174,297
Impairment of financial assets	*12*	2,812	13,545
		285,324	465,467
Operating Income (Loss)		$ 12,950	$ (208,080)
Interest expense, net	*12,15*	18,693	14,222
Other finance (income) costs	*15*	(14,585)	631
Finance Costs		$ 4,108	$ 14,853
Share of loss of equity accounted investee, net of tax	*20*	81	-
Net Income (Loss) before tax from continuing operations		$ 8,761	$ (222,933)
Current tax expense (recovery)	*9*	1,540	(111)
Deferred tax expense (recovery)	*9*	1,302	(12,924)
Income Taxes		$ 2,842	$ (13,035)
Net income (loss) from continuing operations		5,919	(209,898)
Net loss from discontinued operations	18	(9,079)	(13,570)
Net Loss		$ (3,160)	$ (223,468)
Other Comprehensive Income (Loss)			
Items that are or may be reclassified to profit or loss			
Income (Loss) on translating financial statements of foreign operations from continuing operations, net of tax of nil		(366)	2,156
Other Comprehensive Income (Loss), Net of Tax		(366)	2,156
Total Comprehensive Loss		$ (3,526)	$ (221,312)
Net Loss Attributable to:			
Common shareholders		$ (2,458)	$ (172,819)
Non-controlling interests	*11*	(702)	(50,649)
Net Loss		$ (3,160)	$ (223,468)
Total Comprehensive Loss Attributable to:			
Common shareholders		$ (2,742)	$ (171,151)
Non-controlling interests	*11*	(784)	(50,161)
Total Comprehensive Loss		$ (3,526)	$ (221,312)
Earnings (Loss) per Share			
Basic and diluted loss per share	*11*	$ (0.14)	$ (10.05)
Basic earnings (loss) per share from continuing operations	*11*	$ 0.26	$ (9.44)
Diluted earnings (loss) per share from continuing operations	*11*	$ 0.20	$ (9.44)

See accompanying notes to the consolidated financial statements.

IBI GROUP INC.

Consolidated Statement of Cash Flows

(thousands of Canadian dollars)	Notes	Year ended December 31, 2014	2013
Cash Flows provided by Operating Activities			
Net loss		$ (3,160)	$ (223,468)
Items not affecting cash:			
Gain on extinguishment of 7.0% convertible debentures	*6*	(22,028)	-
Loss on issuance of consent fee notes payable	*6,19*	2,473	-
Onerous lease provision	*18*	4,738	-
Amortization of property and equipment	*7*	2,669	3,410
Impairment of property and equipment	*7,18*	3,248	-
Amortization of intangible assets	*8*	819	5,766
Impairment of goodwill and intangible assets	*8*	-	180,501
Amortization of deferred financing costs	*6*	3,803	402
Share of loss of equity-accounted investee, net of tax	*20*	81	-
Impairment on remeasurement of discontinued operations	*18*	6,981	-
Cumulative translation adjustment on discontinued operations	*18*	438	
Interest expense, net	*15*	18,693	14,728
Deferred income taxes	*9*	1,302	(12,924)
Change in fair value of financial instruments	*16*	(393)	(209)
Adjustment to notes payable	*19*	-	(992)
Interest paid		(14,362)	(12,581)
Income taxes paid		(996)	(1,070)
Change in non-cash operating working capital	*13*	22,642	56,061
Net Cash provided by Operating Activities		$ 26,948	$ 9,624
Cash Flows (used in) provided by Financing Activities			
Payments on principal of notes payable	*16*	(795)	(4,985)
Borrowings from (repayments of) credit facilities		(17,514)	10,182
Dividends paid to shareholders	*11*	-	(2,316)
Distributions paid to non-controlling interest	*11*	-	(2,010)
Net Cash (used in) provided by Financing Activities		$ (18,309)	$ 871
Cash Flows (used in) provided by Investing Activities			
Purchase of property and equipment	*7*	(13,566)	(1,931)
Disposal of discontinued operations, net of cash held in escrow	*18*	9,082	-
Net Cash used in Investing Activities		$ (4,484)	$ (1,931)
Effect of foreign exchange rate fluctuations on cash held	*12*	(1,879)	(498)
Net increase in Cash		$ 2,276	$ 8,066
Cash, beginning of period		8,066	-
Cash, End of Period		$ 10,342	$ 8,066
Net cash is comprised of:			
Cash from continuing operations, end of period		$ 10,261	$ 8,081
Cash from discontinued operations, end of period		81	371
Cash, End of Period		$ 10,342	$ 8,066

See accompanying notes to the consolidated financial statements.

IBI GROUP INC.
Consolidated Statement of Changes in Equity

(thousands of Canadian dollars)	**Notes**	**Year ended December 31, 2014**	**2013**
Share Capital			
Share capital, beginning of period		$ 234,358	$ 231,706
Shares issued	*11*	678	2,652
Share Capital, End of Period		$ 235,036	$ 234,358
Contributed Surplus			
Contributed surplus, beginning of period		-	-
Shares issued		2,106	-
Contributed Surplus, End of Period		$ 2,106	$ -
Deficit			
Deficit, beginning of period		(277,088)	(102,539)
Net loss attributable to common shareholders		(2,458)	(172,819)
Dividends declared to common shareholders		-	(2,316)
Shares issued on notes payable		-	586
Deficit, End of Period		$ (279,546))	$ (277,088)
Convertible Debentures - Equity Component			
Convertible debentures, beginning of period	*6(b)*	5,852	5,852
Convertible Debentures, End of Period		$ 5,852	$ 5,852
Accumulated Other Comprehensive Loss			
Accumulated other comprehensive loss, beginning of period		(3,114)	(4,782)
Other comprehensive (loss) income attributable to common shareholders		(284)	1,668
Accumulated Other Comprehensive Loss, End of Period		$ (3,398)	$ (3,114)
Total Shareholders' Equity		$ (39,950)	$ (39,992)
Non-controlling Interest			
Non-controlling interest, beginning of period		4,623	52,920
Total comprehensive loss attributable to non-controlling interests	*11*	(784)	(50,161)
Distributions		-	(670)
Reclassification of shares issued for notes payable			2,534
Conversion of partnership units	*11*	(2,534)	-
Non-controlling Interest, End of Period		$ 1,305	$ 4,623
Total Equity, End of Period		$ (38,645)	$ (35,369)

See accompanying notes to the consolidated financial statements.

NOTE 1: ORGANIZATION AND DESCRIPTION OF THE BUSINESS

IBI Group Inc. (the "Company") is a company incorporated pursuant to the provisions of the Canada Business Corporations Act (the "CBCA") on September 30, 2010 and is the successor to IBI Income Fund (the "Fund"), an unincorporated, open-ended limited purpose trust established under the laws of Ontario.

The Fund was created on July 23, 2004, to indirectly acquire the outstanding Class A partnership units of IBI Group Partnership ("IBI Group"), a general partnership formed and carrying on business under the laws of the Province of Ontario. As at December 31, 2014, the Company's common share capital consisted of 17,808,484 issued and outstanding shares. Each share entitles the holder to one vote at all meetings of shareholders.

IBI Group also issued Class B partnership units to IBI Group Management Partnership (the "Management Partnership"), the entity that carried on the operations of the Fund prior to its acquisition by the Fund. The Class B partnership units of IBI Group are indirectly exchangeable for shares on the basis of one share of the Company for each Class B subordinated partnership unit. Class B partnership units do not entitle the holder to voting rights at the meetings of shareholders of the Company.

As at December 31, 2014, the Management Partnership holds 5,025,778 Class B partnership units representing 22.0% of the issued and outstanding units of IBI Group and, with affiliated partnerships, 3,850,206 common shares of the Company, representing a total ownership of approximately 39.0% of the Company. The Management Partnership also holds 5,025,778 non-participating voting shares of the Company, which together with the 3,850,206 common shares of the Company held by the Management Partnership and affiliated partnerships, represents approximately 39.8% of the voting shares of the Company.

Through IBI Group, the Company is an international, multi-disciplinary provider of a broad range of professional services focused on the physical development of cities. IBI Group's business is concentrated in three main areas of development, being intelligence, buildings and infrastructure. The professional services provided by IBI Group include planning, design, implementation, analysis of operations and other consulting services related to these three main areas of development.

The common shares of the Company are listed on the Toronto Stock Exchange under the symbol "IBG". The Company's registered head office is 55 St. Clair Ave. West, 7th Floor, Toronto, Ontario, M5V 2Y7.

NOTE 2: BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements of the Company and its subsidiaries (the "consolidated group") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issuance by the Company's Board of Directors on March 18, 2015.

(b) Basis of measurement

These consolidated financial statements were prepared on a going concern basis. Amounts are recorded under the historical cost convention, except for certain financial liabilities measured at fair value through profit or loss ("FVTPL"), as described in Note 3(i).

(c) Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Company has control. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that effective control commences and are de-consolidated from the date control ceases.

Joint arrangements

The Company performs the majority of its construction projects through wholly owned subsidiary entities, which are fully consolidated. However, a number of projects, particularly some larger, multi-year, multi-disciplined projected, are executed through partnering agreements. As such, the classification of these entities as a subsidiary, joint operation, joint venture or associate required judgment by management to analyze the various indicators that determine whether control exists. In particular, when assessing whether a joint arrangement should be classified as either a joint operation or a joint venture, management considers the contractual rights and obligations, voting shares, share of board members and the legal structure of the joint arrangement. Subject to reviewing and assessing all the facts and circumstances of each joint arrangement, joint arrangements contracted through agreements and general partnerships would generally be classified as joint operations whereas joint arrangements contracted through corporations would be classified as joint ventures. All current partnering arrangements are classified as joint operations.

The Company recognizes its proportionate ownership in relation to its joint operations in the consolidated financial statements.

Transactions eliminated on consolidation

Transactions, balances, income and expenses incurred within the consolidated group are eliminated in full on consolidation.

Non-controlling interest

Non-controlling interest in IBI Group is exchangeable into common shares of the Company. Changes in the equity of IBI Group and distributions to the non-controlling interest are recorded in non-controlling interest.

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the currency of the primary economic environment in which the Company and its Canadian subsidiaries, including IBI Group, operate (the "functional currency").

Each of the Company's subsidiaries determines its functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency. The Company's foreign operations are translated into its reporting currency (Canadian dollar) as follows: assets and liabilities are translated at the rate of exchange in effect at the date of each consolidated statement of financial position, and items of revenues and expenses are translated at the average rate of exchange for the period. The resulting unrealized exchange gains and losses on foreign subsidiaries are recognized in accumulated other comprehensive loss.

Transactions in foreign currencies are translated to the functional currency of the respective entity at exchange rates at the dates of the transactions. Foreign exchange gains and losses on such transactions, as well as from the translation of monetary assets and liabilities not denominated in the functional currency of the respective entity, are recorded in earnings in the year in which they occur.

On disposal, or partial disposal, of a foreign entity, or repatriation of the net investment in a foreign entity, resulting in a loss of control, significant influence or joint control, the cumulative translation account balance recognized in equity relating to that particular foreign entity is recognized in profit or loss as part of the gain or loss on sale. On a partial disposition of a subsidiary that does not result in a loss of control, the amounts are reallocated to the non-controlling interest in the foreign operation based on their proportionate share of the cumulative amounts recognized in AOCI. On partial dispositions of jointly controlled foreign entities or associates, the proportionate share of translation differences previously recognized in AOCI is reclassified to profit or loss.

References to "$" in these consolidated financial statements denote Canadian dollars and references to "US$" are to U.S. dollars.

All amounts presented in Canadian dollars have been rounded to the nearest thousand.

(e) Use of accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to exercise judgment and make estimates and assumptions that affect the application of accounting policies on reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses for the period covered by the consolidated financial statements. Actual amounts may differ from these estimates.

Within the context of these consolidated financial statements, a judgment is a decision made by management in respect of the application of an accounting policy, a recognized or unrecognized financial statement amount and/or note disclosure, following an analysis of relevant information that may include estimates and assumptions. Estimates and assumptions are used mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements and are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses.

Information about judgments made in applying accounting policies that have the most significant impact on the amounts recognized in the consolidated financial statements are as follows:

Liquidity

IBI Group's swing facility and credit facility (the "Credit Facilities") will need to be renewed or refinanced no later than March 31, 2016. The Company is putting together a plan to support an extension or refinancing alternative, which is subject to approval from their lenders acting reasonably. Although the Company believes that it can negotiate an extension or renewal of the Credit Facilities or obtain replacement financing prior the expiration of the Credit Facilities, there can be no assurance that the Credit Facilities will be extended or renewed or that future borrowings will be available to IBI Group, or available on acceptable terms, in an amount sufficient to meet the Company's financing requirements at that time. If such an extension or renewal or future borrowings were not available, or not available on acceptable terms, it would have a material adverse impact on the Company's business and financial condition.

Revenue Recognition

The Company also enters into contracts that require multiple deliverables, which can include software and hardware elements. Management applies judgment when assessing whether certain deliverables in a customer arrangement should be included or excluded from a unit of account to which contract accounting is applied. The judgment is typically related to the sale and inclusion of third party hardware and licenses in a customer arrangement, and involves an assessment that principally addresses whether the deliverable has stand-alone value to the customer that is not dependent upon other components of the arrangement.

Recoverability of accounts receivable

The Company records accounts receivable net of impairment losses due to its inability to collect on its trade receivables. The Company uses specific factors to determine the estimated losses that are based on the age of the outstanding receivables and on its historical collection and loss experience.

Valuation of goodwill and definite life intangible assets

The Company performs impairment testing on its long-lived assets annually for goodwill and intangible assets, and when circumstances indicate that there may be impairment, for other long-lived assets. Management judgment is involved in determining if there are circumstances indicating that testing for

impairment is required, and in determining the grouping of assets to identify Cash Generating Units ("CGU") for the purpose of impairment testing.

Impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. Fair value less costs to sell is based on either available data from sales transactions in an arm's-length transaction of similar assets, or on observable market prices less incremental costs for disposing of the asset. In the absence of such data, other valuation techniques can be used to estimate fair value less costs to sell. The fair value calculation is based on a multiple of earnings approach, which is the same as the Company uses in determining the fair value of its acquired entities. The calculation is most sensitive to the projected future earnings of the CGUs and the selected earnings multiple. Other significant estimates and assumptions include future working capital requirements.

Information about assumptions and estimation uncertainties that have a significant impact on the amounts recognized in the consolidated financial statements for the year ending December 31, 2014 are as follows:

Revenue Recognition

The Company accounts for certain of its revenue in accordance with IAS 11 *Construction Contracts*, ("IAS 11") which requires estimates to be made for contract costs and revenues and IAS 18 *Revenue* ("IAS 18"). Revenue from fixed-fee and variable-fee-with-ceiling contracts is recognized using the percentage of completion method based on the ratio of professional costs incurred to total estimated professional costs. Estimating total professional costs is subjective and requires the use of management's best estimate based on the information available at that point in time. The Company also provides for estimated losses on incomplete contracts in the period in which such losses are determined. Changes in the estimates are reflected in the period in which they are made and would affect the Company's revenue and work in process.

Valuation of work in process and deferred revenue

The Company records its work in process based on the time and materials charged into each project. The work in process for each project is reviewed on a monthly basis to determine whether the amounts recorded are recoverable. Where the review determines that the value of work in process exceeds the amount that can be invoiced, provisions are made to the work in process and revenue is reduced. The valuation of the work in process involves estimates of the professional costs to be incurred to complete the project.

The Company records its deferred revenue based on projects for which billings exceed work in process. Estimating total direct labour costs is subjective and requires the use of management's best estimate based on the information available at that point in time. The Company also provides for estimated losses on incomplete contracts in the period in which such losses are determined. Changes in the estimates are reflected in the period in which they are made and would affect the Company's revenue and deferred revenue.

Onerous lease provisions

The Company recognizes provisions when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Management has recorded a provision related to lease exit liabilities which requires estimation of the expected sublease income and discount rate reflective of the risk profile of the obligation.

Derecognition of financial liabilities

A financial liability is derecognized when the underlying contractual obligation is discharged, cancelled or expires. Derecognition accounting is applied when certain criteria are met and as described in note 6, management applied judgement in assessing the criteria that lead to accounting for the change in terms of the convertible debentures and credit facility as an extinguishment of the liability.

Determining probable future utilization of tax loss carryforwards

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and the level of future taxable profits, together with future tax-planning strategies.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise indicated, the significant accounting policies followed by the Company set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

Revenue from fixed-fee and variable-fee-with-ceiling contracts is recognized by reference to the stage of completion using the cost approach. Stage of completion is measured by reference to professional costs incurred to date as a percentage of total professional costs for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered. Revenue from time-and-material contracts without stated ceilings and from short-term projects, is recognized as costs are incurred. Revenue is calculated based on billing rates recoverable under the contract for the services performed.

Provisions for estimated losses on incomplete contracts are made in the period in which the losses are determined. The effect of revisions to estimated revenues and costs is recorded when the amounts are known or can be reasonably estimated. Where total contract costs exceed, or are expected to exceed, revenues, the anticipated loss is immediately recognized as an expense.

Accounts receivable is valued at amortized cost net of allowances for impairment losses (refer to note 3(i) for further discussion on financial instruments).

The Company's software license agreements are multiple-element arrangements as they may also include maintenance, professional services and hardware. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting.

b) Work in process and deferred revenue

Work in process represents the fee revenue and recoverable disbursements which have not been billed but are expected to be billed and collected from clients for contract work performed to date, and is valued at estimated net realizable value.

Billings in excess of time value incurred on jobs in progress, for which future services will be provided, are included in deferred revenue in the consolidated statement of financial position.

An allowance account is also maintained on work in process, measured by the estimated amount of unbilled professional costs that are expected not to be billed. When work in process is determined not recoverable, the amount is written off in the reserve for work in process.

c) Cash

Cash is comprised of cash on hand. Cash balances, which the Company has the ability and intent to offset, are used to reduce reported bank indebtedness.

d) Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation, net of accumulated impairment losses, and amortized over their estimated useful lives as follows:

Asset	Basis	Rate
Office furniture and equipment	Diminishing balance	20%
EDP equipment	Straight line	2 years
Vehicles	Diminishing balance	20%
Leasehold improvements	Straight line	Term of lease

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

The cost of repairs and maintenance of property and equipment are expensed as incurred and recognized in net loss.

e) Goodwill and Intangible assets

Goodwill

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to all other assets acquired, less liabilities assumed, based on their fair values at the date of acquisition.

Goodwill is not amortized but is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. Goodwill is measured at cost less accumulated impairment losses (refer to note 3(f) for impairment discussion).

When the carrying amount of goodwill exceeds the fair value of goodwill, an impairment loss is recognized in the amount equal to the excess, and is presented as a charge in the consolidated statements of comprehensive loss.

Other intangible assets

Other intangible assets are initially recorded at fair value at their acquisition date and stated at cost less accumulated amortization and net impairment losses, where applicable. The cost of other intangible assets with determinable lives is amortized over the period in which the benefits of such assets are expected to be realized as follows:

Asset	Basis	Amortization period
Customer relationships	Straight line	8-10 years
Contracts backlog	Straight line	1-2 years
Non-competition provisions	Straight line	3-4 years

f) Impairment of non-financial assets

The Company evaluates the recoverability of property and equipment and intangible assets with determinable lives for impairment at the end of each reporting period. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts.

The Company evaluates the recoverability of intangible assets with non-determinable lives and goodwill on an annual basis or when events or a change in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which an asset’s carrying amount exceeds its recoverable amount. The determination of recoverable amount is based on the higher of value in use or fair value less costs to sell.

For the purposes of assessing impairment where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the CGU to which the asset belongs is estimated. A CGU is the smallest identifiable group of assets for which there are separately identifiable cash inflows.

The grouping of CGUs for the purpose of testing goodwill impairment cannot be tested at a level higher than the operating segment.

The carrying amount of a CGU includes the carrying amount of only those assets that can be attributed directly, or allocated on a reasonable and consistent basis, and are expected to generate the future cash inflows.

An impairment loss is recognized as a charge in comprehensive loss when a CGU's carrying amount exceeds its recoverable amount. The carrying amount of the CGU is reduced first, by the carrying amount of any goodwill allocated to the CGU, and then on a pro rata basis to the carrying amount of the other assets in the CGU.

For property and equipment and intangible assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of amortization, had no impairment loss been recognized. An impairment loss recognized for goodwill is not reversed.

g) Income taxes

Income tax expense consists of current tax charge and the change in deferred tax assets and liabilities. Current tax and deferred tax is recognized in comprehensive loss except to the extent that it relates to a business combination, or to items recognized directly in equity or other comprehensive loss.

Current tax represents the current tax payable (receivable) on the taxable income (loss) for the period, calculated in accordance with the rates and legislation of the respective tax jurisdiction in which the Company operated, enacted or substantively enacted as at the date of the statement of financial position; it also reflects any adjustment resulting from new information to taxes payable (recoverable) in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of the expected income tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities in the consolidated statement of financial position and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted, or substantively enacted, tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in comprehensive loss in the period that includes the date of enactment or of substantive enactment of the future tax rates.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are evaluated at each reporting period and are reduced to the extent that it is no longer probable that future taxable profits will be available against which they can be utilized.

h) Share-based compensation

The Company operates a share-based compensation plan ("Deferred Share Plan") which allows directors to receive director fees in the form of deferred shares rather than cash. These awards are accounted for as liabilities at FVTPL. On the grant date, the deferred shares are measured at fair value based on the market price with subsequent changes to the fair value recorded as salaries, fees and employee benefit expenses until settled.

i) Financial instruments

All financial assets and financial liabilities are required to be classified into one of the following categories:

- Financial assets are classified as either FVTPL, available-for-sale, held-to-maturity investments or loans and receivables; and
- Financial liabilities are classified as either FVTPL or other liabilities.

All financial assets and liabilities are initially recognized at fair value plus directly attributable transaction costs, except for financial assets at FVTPL, for which transaction costs are expensed. Purchases or sales of financial assets are accounted for at trade dates. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The table below summarizes the classification and subsequent measurement of the Company's financial assets and liabilities:

Asset	Classification	Measurement
Financial Assets		
Cash	FVTPL	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Deferred share plan liability[1]	FVTPL	Fair value
Due to related parties	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Distributions payable	Other liabilities	Amortized cost
Credit facilities	Other liabilities	Amortized cost
Convertible debentures – debt instrument	Other liabilities	Amortized cost

[1] The deferred share plan liability is grouped with accounts payable and accrued liabilities on the consolidated statement of financial position. See Note 16 – Deferred Share Plan, for further discussion.

Financial assets at FVTPL

At the end of each reporting period subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognized directly in the statement of comprehensive loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the date of the consolidated statement of financial position. After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method, net of allowance for impairment losses.

Impairment

The Company's policy is to assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

The Company maintains an allowance for impairment losses on accounts receivable. The estimate is based on the best assessment of the collectability of the related receivable balance, based in part, on the age of the outstanding receivables and in part on the Company's historical collection and loss experience. When the carrying amount of the receivable is reduced through the allowance, the reduction is recognized in impairment of financial assets in the statement of comprehensive loss.

Subsequent recoveries of the amounts previously written off are charged against the allowance account and recognized as income in the statement of comprehensive loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity (in accordance with the substance of the contractual arrangement). An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded net of direct issue costs.

Debt securities issued and other liabilities are recognized at fair value on the date that they originated. Other financial liabilities are recognized initially on the trade date at which the Company becomes party to the contractual provisions of the instrument. Financial liabilities are classified as either financial liabilities at FVTPL or as other liabilities.

Financial liabilities at FVTPL

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in the statement of comprehensive loss in the period in which they arise.

Other financial liabilities

Other financial liabilities are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are carried at amortized cost using the effective interest rate method.

Effective interest method

The effective interest method calculates the amortized cost of a financial instrument and allocates interest income or expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument to the net carrying amount of the financial liability on initial recognition.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into share capital at the option of the holder. The liability component of a compound financial instrument is measured initially at fair value, calculated as the net present value of the liability without a conversion option and using a discount rate reflective of a liability instrument without a conversion factor. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the assets. Any interest in transferred assets that are created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized when the underlying contractual obligation is legally discharged, cancelled or expires.

j) Leases

The substance of the transaction at inception of the lease determines whether the lease is classified as operating or finance. Any modification to the terms of a lease requires reassessment by the Company of the classification of the lease.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease, net of any incentives received

from the lessor, are recognized as rent in the statement of comprehensive loss on a straight-line basis over the period of the lease.

Finance lease

Leases in which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payments or the fair value of the leased asset at the inception of the lease and amortized over the term of the lease. Minimum lease payments are apportioned between the finance charge and the liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

k) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Onerous contracts

The Company's onerous contracts consist of lease exit liabilities. The Company accrues charges when it ceases to use office space under an operating lease arrangement. Included in the liability is the present value of the remaining lease payments, less the recovery of the tenant improvement allowance and the present value of the expected future sublease income.

NOTE 4: CHANGES IN ACCOUNTING POLICIES ADOPTED AND NOT YET ADOPTED

a) Changes in Accounting Policies

IAS 32, Offsetting Financial Assets and Financial Liabilities

In December 2011 the IASB published Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32). The amendments to IAS 32 clarify when an entity has a legally enforceable right to offset, as well as when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement. The effective date for the amendments to IAS 32 is annual periods beginning on or after January 1, 2014. These amendments are to be applied retrospectively. The adoption of the amendments did not have a material impact on the consolidated financial statements.

IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

In May 2013, the IASB issued *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)*. The amendment reverses the unintended requirement in IFRS 13 *Fair Value Measurement*, to disclose the recoverable amounts of all cash generating units to which significant goodwill or indefinite-life intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014. The adoption of the amendments did not have a material impact on the consolidated financial statements.

IFRIC 21, Levies

Beginning January 1, 2014, the Company adopted *International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies* on a retrospective basis with restatement. This IFRIC is applicable to all levies other than outflows that are within the scope of other standards, fines, or penalties for breaches of legislation. The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payments, as identified by the relevant legislation, occurs. The adoption of *IFRIC 21* did not have a material impact on the consolidated financial statements.

b) Future Accounting Policy Changes

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* ("IFRS 9"), with a mandatory effective date of January 1, 2018. The new standard brings together the classification and measurements, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. In addition to the new requirements for classification and measurement of financial assets, a new general hedge accounting model and other amendments issued in previous versions of IFRS 9, the standard also introduces new impairment requirements that are based on a forward-looking expected credit loss model. The Company intends to adopt IFRS 9 in its consolidated financial statements for the annual period beginning January 1, 2018. The extent of the impact of the adoption of IFRS 9 has not yet been determined.

Annual Improvements to IFRS (2010 – 2012) and (2011-2013) cycles

In December 2013, the IASB issued narrow-scope amendments to a total of nine standards as part of its annual improvements process. The IASB uses the annual improvements process to make non-urgent but necessary amendments to IFRS.

Most amendments will apply prospectively for annual periods beginning on or after July 1, 2014; earlier application is permitted, in which case, the related consequential amendments to other IFRSs would also apply.

The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning on January 1, 2015. The extent of the impact of adoption of the amendments has not yet been determined.

IAS 1 *Presentation of Financial Statements*

In December 2014, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*, to provide guidance on the application of judgment in the preparation of financial statements and disclosures. These amendments are effective for annual periods beginning on or after January 1, 2016 with earlier adoption permitted. The extent of the impact of the adoption of the amendments have not yet been determined.

IFRS 15 *Revenue from Contracts with Customers*

On May 28, 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”). The new standard is effective for fiscal years ending on or after December 31, 2017 and is available for early adoption.

IFRS 15 will replace IAS 11, IAS 18, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the standard has not yet been determined.

NOTE 5: SEGMENT INFORMATION

The Company is an international, multi-disciplinary provider of a broad range of professional services focused on the physical development of cities. The Company considers the basis on which it is organized, including geographic areas and service offerings, in identifying its reportable segments.

(a) Operating segments

Operating segments of the Company are defined as components for which separate financial information is available that is evaluated regularly in allocating resources and assessing performance.

The Company has one operating segment, consulting services. These services are provided throughout Canada, the U.S., and internationally.

(b) Geographic segments

The following table demonstrates certain statement of financial position information line items segmented geographically as at December 31, 2014, with comparatives as at December 31, 2013:

	As at December 31, 2014			
	Canada	U.S.	International	Total
Property and equipment	$ 9,550	$ 1,974	$ 1,256	$ 12,780
Intangible assets	1,115	3,356	846	5,317
Work in process	71,931	16,759	21,178	109,868
Reserve for work in process	(20,145)	(2,687)	(1,665)	(24,497)
Work in process, net	51,786	14,072	19,513	85,371
Deferred revenue	19,652	5,621	2,729	28,002
Total assets	165,412	50,772	35,879	252,063

	As at December 31, 2013			
	Canada	U.S.	International	Total
Property and equipment	$ 2,801	$ 1,830	$ 1,928	$ 6,559
Intangible assets	-	3,728	944	4,672
Work in process	87,711	14,561	14,054	116,326
Reserve for work in process	(19,246)	(2,684)	(1,314)	(23,244)
Work in process, net	68,465	11,877	12,740	93,082
Deferred revenue	11,292	2,109	390	13,791
Total assets	169,210	47,813	25,238	242,261

The following table demonstrates certain information contained in the statement of comprehensive loss segmented geographically for the year ended December 31, 2014, with comparatives for the year ended December 31, 2013. The unallocated amounts pertain to expenses relating to convertible debentures, the credit facilities, taxes, non-cash finance costs, rent for the Corporate office and professional fees related to Corporate matters that have been incurred by the Company.

	Year ended December 31, 2014				
	Unallocated Corporate Costs	Canada	U.S.	International	Total
Revenues	$ -	$ 166,408	$ 85,294	$ 46,572	$ 298,274
Net income (loss) from continuing operations	$ (7,935)	$ 8,620	$ 3,242	$ 1,992	$ 5,919

	Year ended December 31, 2013				
	Unallocated Corporate Costs	Canada	U.S.	International	Total
Revenues	$ -	$ 148,752	$ 69,796	$ 38,838	$ 257,386
Net income (loss) from continuing operations	$ (7,820)	$ (154,848)	$ (36,200)	$ (11,030)	$ (209,898)

NOTE 6: FINANCIAL INSTRUMENTS

(a) Indebtedness

As at December 31, 2013, the Company had a credit facility of $120,000, which was set to mature July 29, 2016. The Company had borrowed $87,844 under the credit facility as at December 31, 2013 with unamortized transaction costs of $2,365. The net amount of $85,479 was classified as long-term in the Consolidated Statement of Financial Position as at December 31, 2013. Advances under these credit facilities bore interest at a rate based on the Canadian dollar or U.S. dollar prime rate, LIBOR or banker's acceptance rates, plus, in each case, an applicable margin.

In addition, a bid bond guarantee facility (the "Bid Bond Facility") of up to US$20,000 was available to the Company to meet certain project requirements calling for the issuance of bid bonds to international customers. As at December 31, 2013, the Company issued bid bonds in the amount of $2,335 under the Bid Bond Facility. The Bid Bond Facility was only available by way of letters of credit or letters of guarantee.

As noted in Note 18 - Discontinued Operations, on October 2, 2014, the Company finalized the sale of its Quebec operations and a 49% equity interest in China. Proceeds of $9,082 received from the sale were used to reduce the existing indebtedness under the Company's existing credit facilities.

On October 6, 2014, the Company reached an agreement with its senior lenders to amend its existing credit facilities. The amended credit facilities consist of a swing line facility for $3,500, a revolver facility for $14,500, an office capital expenditure facility for $7,000, a letter of credit facility for $7,000 and a term facility for $62,000. The Bid Bond Facility was cancelled as part of the new financing

agreement. The aggregate availability under the amended credit facilities on closing was $94,000. The agreement requires step-down payments on the term facility of $5,000 on October 31, 2014, $5,000 on July 31, 2015, $5,000 on October 31, 2015 and $47,000 on maturity relating to the term loan facility. The Company made the required $5,000 payment to reduce the term loan facility in October, which reduced the total available borrowings to $89,000. In addition, the availability on the letter of credit facility was reduced by $2,000 during the year, resulting in total available borrowings under the amended credit facilities to $87,000 as of December 31, 2014. As at December 31, 2014, the Company had borrowings of $73,423 and had issued letters of credit of $4,855. The credit facility has a maturity date of March 31, 2016.

The revolver facility is subject to a borrowing base calculation. In addition, the availability of each credit facility is subject to compliance with certain financial, reporting and other covenants. Advances under the credit facilities bear interest at a rate based on the Canadian dollar prime rate or US dollar base rate plus, in each case, an applicable margin.

The amendment to the existing credit facilities was considered an extinguishment for accounting purposes. This resulted in a write-off of deferred financing costs of $2,474 that was recognized in other finance costs in the Consolidated Statement of Comprehensive Loss.

The credit facilities contained financial covenants including funded debt to Adjusted EBITDA[1] ratio, fixed-charge coverage ratio, and restrictions on distributions, if certain conditions were not met. The Company was in compliance with its credit facility covenants as at December 31, 2014.

As at November 1, 2014, the Company was required under the credit facilities to renegotiate payment terms under the vendor notes payable. The Company did not comply with this covenant and subsequently obtained waivers to renegotiate the terms of the vendor notes payable by January 15, 2015, as noted in Note 19 – Notes Payable. These notes were renegotiated by January 15, 2015. Subsequent to year end, the Company entered into a transaction to factor receivables that exceeded the allowed threshold by less than a thousand dollars. The Company has obtained a waiver from its banks.

Continued compliance with the covenants under the amended credit facilities is dependent on the Company achieving revenue forecasts, profitability, reducing costs and the overall improvement of working capital and an appropriate recapitalization plan. Market conditions have been difficult to predict and there is no assurance that the Company will achieve its forecasts. In the event of non-compliance, the Company's lenders have the right to demand repayment of the amounts outstanding under the lending agreements or pursue other remedies if the Company cannot reach an agreement with its lenders to amend or waive the financial covenants. As in the past, the Company will carefully monitor its compliance with the covenants and will seek waivers, subject to lender approval, as may become necessary from time to time.

[1] As defined in the credit facilities agreement, references to "Adjusted EBITDA" is to earnings before interest, income taxes, depreciation and amortization; adjusted for gain/loss arising from extraordinary, unusual or non-recurring items; acquisition costs and deferred consideration revenue; non-cash expenses; gain/loss realized upon the disposal of capital property; gain/loss on foreign exchange translation; gain/loss on purchase or redemption of securities issued; amounts attributable to minority equity investments; and interest income. Adjusted EBITDA is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS, and the Company's method of calculating Adjusted EBITDA may differ from the methods used by other similar entities.

Guarantees from certain subsidiaries of IBI Group as well as IBI Group Architects (Ontario), and a first ranking security interest in all of the assets of IBI Group and the guarantors, subject to certain permitted encumbrances, have been pledged as security for the indebtedness and obligations of IBI Group under the credit facilities. The indebtedness secured by these security interests will rank senior to all other security over the assets of IBI Group and the guarantors, subject to certain permitted encumbrances.

(b) Convertible debentures

The Company has three series of convertible debentures outstanding as at December 31, 2014.

7.0% Debentures ($46,000 principal, matures on June 30, 2019)

On July 23, 2014, IBI announced that it entered into a supplemental trust indenture with CIBC Mellon Trust Company, the trustee for the 7.0% convertible unsecured subordinated debentures (“Debentures”) which were originally scheduled to mature on December 31, 2014, to give effect to the amendments approved at a special meeting of the Debenture holders to extend the maturity of the Debentures to June 30, 2019. In exchange for the extension of the maturity, Debenture holders that delivered and did not withdraw a valid proxy voting for the extension received either; a reduced conversion price to $5.00 per share from $19.17 per share with a consent fee note equal to $86.96 per $1,000 principal amount of Debentures (“Option B”) or the Debenture holders retained the conversion price of $19.17 per share and received a consent fee note equal to $195.65 per $1,000 principal amount of Debentures (“Option A”). The conversion price was also reduced to $5.00 per share from $19.17 per share for Debenture holders who did not deposit a proxy, abstained from voting or voted against the Debenture amendments (“Option C”). The Debentures bear interest from the date of issue at 7.0% per annum, payable in equal semi-annual payments in arrears on June 30th and December 31st of each year. The consent fee notes are unsecured, non-convertible, mature on December 31, 2016 and bear interest at the rate of 7.0% per annum which is payable on maturity.

The amendments to the Debentures resulted in them being accounted for as extinguishments for accounting purposes. Consequently, the original Debentures were derecognized and the new Debentures (under Option A, B and C) were recognized at fair value, resulting in a pre-tax gain on extinguishment of $21,137, net of transaction costs of $891 which was recorded to other finance costs in the statement of comprehensive loss. See Note 15 – Finance Costs (Income), for further detail regarding finance costs for the year ended December 31, 2014.

The fair value of the new Debentures issued under Option B and C of $18,747 was estimated using the observed trading price as these Debentures are considered to be traded in an active market. The fair value was then allocated to the liability component in the amount of $15,922 using discounted future cash flows at an estimated fair value discount rate of 26.5% and the residual was allocated to the Option B and C conversion feature in equity. The fair value of the new Debentures issued under Option A of $7,519 was estimated using discounted future cash flows at an estimated fair value discount rate of 26.5%, with a comparison to pre-modification observed trading prices indicating that the equity component was of nominal value. As a result, substantively all of the fair value of the new Debentures issued under Option A was allocated to the liability component.

The fair value of the consent fee notes issued under Option A and B were $1,984 and $453 respectively, using discounted future cash flows at an estimated fair value discount rate of 26.5%.

The new Debentures and consent fee notes were subsequently measured at amortized cost using the effective interest method over their respective lives to maturity. As at December 31, 2014, the liability component of the new Debentures have an amortized cost of $25,333 and the consent fee notes have an amortized cost of $2,631. The accretion expense for the new Debentures and consent fee notes was $2,085 for the year ended December 31, 2014. See Note 15 – Finance Costs (Income), for further detail regarding the accretion expense for the period. The equity component for the conversion feature of the new Debentures in the amount of $2,894 is measured at fair value at the date of issuance.

Post amendment, the ticker symbol for the new Debentures under Option B and C (aggregate principal amount of $31,245) is IBG.DB and for Option A (aggregate principal amount of $14,755) is IBG.DB.C. The fair value of the new Debentures under Option B and C was $14,060 and for Option A was $5,164 based on their respective quoted market price as at December 31, 2014.

5.75% Debentures ($20,000 principal, matures on September 30, 2017)

The 5.75% Debentures are recorded as compound financial instruments. The liability component was recorded at fair value on the date of conversion to a corporation and measured subsequently at amortized cost using the effective interest method over the life of the 5.75% Debentures. As at December 31, 2014, the liability component has an amortized cost of $18,838 (December 31, 2013 - $18,436). The equity component for the conversion feature of $896 is measured at the fair value on the date of conversion to a corporation. The 5.75% Debentures have a maturity date of September 30, 2017 at $20,000. The 5.75% Debentures are convertible into shares of the Company at the option of the holder at a conversion price of $20.52 per unit. The 5.75% Debentures are redeemable by the Company at a price of $1,000 per 5.75% Debenture, plus accrued and unpaid interest, on or after June 30, 2015 and prior to the maturity date (provided that, if the redemption is prior to June 30, 2015, the weighted average trading price of the shares of the Company on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price of $20.52). The Debentures bear interest from the date of issue at 5.75% per annum, payable in equal semi-annual payments in arrears on June 30th and December 31st of each year. The fair value of the 5.75% Debentures was $8,400 based on the quoted market price as at December 31, 2014.

6.0% Debentures ($57,500 principal, matures on September 30, 2018)

The 6.0% Debentures are recorded as compound financial instruments. The liability component was recorded at fair value on issuance and was subsequently measured at amortized cost using the effective interest method over the life of the 6.0% Debentures. As at December 31, 2014, the liability component has an amortized cost of $54,266 (December 31, 2013 - $53,493). The equity component for the conversion feature of $3,206 is measured at the fair value on the date of conversion to a corporation. The 6.0% Debentures have a maturity date of September 30, 2018 at $57,500. The 6.0% Debentures are convertible into common shares of the Company at the option of the holder at a

conversion price of $21.00 per share. The 6.0% Debentures are redeemable by the Company at a price of $1,000 per 6.0% Debenture, plus accrued and unpaid interest, on or after June 30, 2014 and prior to the maturity date (provided that, if the redemption is prior to June 30, 2016, the weighted average trading price of the shares of the Company on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price of $21.00). The Debentures bear interest from the date of issue at 6.0% per annum, payable in equal semi-annual payments in arrears on June 30th and December 31st of each year. The fair value of the 6.0% Debentures was $22,425 based on the quoted market price as at December 31, 2014.

The movement in Convertible Debentures and related embedded derivative for the year ended December 31, 2014 is as follows:

	Liability component	Equity component	Total
Balance, January 1, 2014	$ 116,760	$ 5,852	$ 122,612
Accretion of convertible debenture	3,705	-	3,705
Gain on extinguishment of 7.0% convertible debentures	(22,028)	-	(22,028)
Derecognition of 7.0% convertible debentures	-	(2,774)	(2,774)
Recognition of amended 7.0% convertible debentures	-	2,894	2,894
Impact of extinguishment of 7.0% convertible debentures	-	(120)	(120)
Balance, December 31, 2014	$ 98,437	$ 5,852	$ 104,289

The movement in convertible debentures for the year ended December 31, 2013 is as follows:

	Liability component	Equity component	Total
Balance, January 1, 2013	$ 114,613	$ 5,852	$ 120,465
Accretion of convertible debenture	2,147	-	2,147
Balance, December 31, 2013	$ 116,760	$ 5,852	$ 122,612

(c) Financial assets and liabilities

The carrying amount of the Company's financial instruments as at December 31, 2014 are as follows:

	Financial assets and liabilities at FVTPL	Loans and receivables	Other financial liabilities	Total
Financial assets				
Cash	$ 10,342	$ -	$ -	$ 10,342
Accounts receivable	-	106,451	-	106,451
Total	$ 10,342	$ 106,451	$ -	$ 116,793
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 57,449	$ 57,449
Deferred share plan liability[1]	391	-	-	391
Due to related parties	-	-	10,000	10,000
Vendor notes payable	-	-	5,013	5,013
Consent fee notes payable	-	-	2,631	2,631
Credit facilities	-	-	73,423	73,423
Convertible debentures	-	-	98,437	98,437
Total	$ 391	$ -	$ 246,953	$ 247,344

[1] The deferred share plan liability is grouped with accounts payable and accrued liabilities on the statement of financial position. See Note 16 – Deferred Share Plan, for further discussion.

The carrying amount of the Company's financial instruments as at December 31, 2013 are as follows:

	Financial assets and liabilities at FVTPL	Loans and receivables	Other financial liabilities	Total
Financial assets				
Cash	$ 8,066	$ -	$ -	$ 8,066
Accounts receivable	-	104,791	-	104,791
Total	$ 8,066	$ 104,791	$ -	$ 112,857
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 43,733	$ 43,733
Deferred share plan liability[1]	138	-	-	138
Due to related parties	-	-	10,000	10,000
Vendor notes payable	-	-	5,381	5,381
Credit facilities	-	-	85,479	85,479
Convertible debentures	-	-	116,760	116,760
Total	$ 138	$ -	$ 261,353	$ 261,491

[1] The deferred share plan liability is grouped with accounts payable and accrued liabilities on the statement of financial position. See Note 16 – Deferred Share Plan, for further discussion.

NOTE 7: PROPERTY AND EQUIPMENT

(a) Carrying amount

Proceeds from disposals are netted against the related assets and the accumulated depreciation, and are included in the statement of comprehensive loss. Property and equipment consist of the following:

	Office furniture and equipment	EDP equipment	Vehicles	Leaseholds	Total
Cost					
January 1, 2013	$ 7,390	$ 14,086	$ 222	$ 8,302	$ 30,000
Additions	525	560	-	1,239	2,324
Additions through acquisitions	24	2	-	14	40
Disposals	(223)	(208)	(26)	(359)	(816)
Foreign currency translation gain	394	114	11	484	1,003
December 31, 2013	$ 8,110	$ 14,554	$ 207	$ 9,680	$ 32,551
Additions	3,316	2,098	-	8,152	13,566
Disposals	(1,091)	(3,111)	(60)	(2,675)	(6,937)
Impairment from continuing operations	-	-	-	(3,248)	(3,248)
Impairment from discontinued operations	(296)	(353)	-	(392)	(1,041)
Foreign currency translation gain	303	399	48	240	990
December 31, 2014	$ 10,342	$ 13,587	$ 195	$ 11,757	$ 35,881

	Office furniture and equipment	EDP equipment	Vehicles	Leaseholds	Total
Accumulated depreciation					
January 1, 2013	$ 4,509	$ 12,448	$ 103	$ 5,544	$ 22,604
Depreciation from continuing operations	705	743	34	455	1,937
Depreciation from discontinued operations	126	432	10	905	1,473
Disposals	(198)	(180)	(21)	(357)	(756)
Foreign currency translation gain	288	75	7	364	734
December 31, 2013	$ 5,430	$ 13,518	$ 133	$ 6,911	$ 25,992
Depreciation from continuing operations	1,077	798	28	766	2,669
Depreciation from discontinued operations	111	234	-	347	692
Disposals	(983)	(2,889)	(55)	(2,333)	(6,260)
Foreign currency translation gain (loss)	87	142	51	(272)	8
December 31, 2014	$ 5,722	$ 11,803	$ 157	$ 5,419	$ 23,101
Net carrying amount					
December 31, 2013	$ 2,680	$ 1,036	$ 74	$ 2,769	$ 6,559
December 31, 2014	$ 4,620	$ 1,784	$ 38	$ 6,338	$ 12,780

NOTE 8: INTANGIBLE ASSETS AND GOODWILL

(a) Carrying amount

The following table presents the Company's goodwill and intangible assets as at December 31, 2014 and December 31, 2013:

	Goodwill	Contract backlog	Client relationships	Other	Total
Cost					
Balance at January 1, 2013	$ 187,480	$ 33,057	$ 37,666	$ 14,615	$ 272,818
Finalized purchase price adjustments	1,274	-	-	-	1,274
Foreign exchange translation gain	831	365	898	360	2,454
Balance at December 31, 2013	$ 189,585	$ 33,422	$ 38,564	$ 14,975	$ 276,546
Fully amortized assets	(189,585)	(32,890)	(34,335)	(13,805)	(270,615)
Additions	-	-	-	1,115	1,115
Foreign exchange translation gain	-	48	322	107	477
Balance at December 31, 2014	$ -	$ 580	$ 4,551	$ 2,392	$ 7,523

	Goodwill	Contract backlog	Client relationships	Other	Total
Accumulated amortization and impairment					
Balance at January 1, 2013	$ 29,692	$ 32,302	$ 12,612	$ 10,014	$ 84,620
Amortization from continuing operations	-	493	3,215	1,689	5,397
Amortization from discontinued operations	-	-	219	150	369
Impairment expense from continuing operations	155,188	180	16,744	2,185	174,297
Impairment expense from discontinued operations	4,705	-	1,349	150	6,204
Foreign exchange translation gain	-	301	477	1,049	987
Balance at December 31, 2013	$ 189,585	$ 33,276	$ 34,616	$ 14,397	$ 271,874
Fully amortized assets	(189,585)	(32,890)	(34,335)	(13,805)	(270,615)
Amortization	-	152	350	317	819
Foreign exchange translation gain	-	42	38	48	128
Balance at December 31, 2014	$ -	$ 580	$ 669	$ 957	$ 2,206
Net carrying amount					
At December 31, 2013	$ -	$ 146	$ 3,319	$ 1,207	$ 4,672
At December 31, 2014	$ -	$ -	$ 3,882	$ 1,435	$ 5,317

(b) Impairment testing for CGUs containing goodwill

The Company completed its assessments of impairment indicators for definite life intangible assets and concluded that there were no indicators of impairment during 2014.

The Company performed testing for goodwill impairment in the second and fourth quarters of 2013 in accordance with its policy described in Note 3. During the second quarter of 2013, the share price of the Company decreased, adversely impacting its market capitalization. The performance of certain cash generating units (CGUs) of the Company had also been weaker than expected and as a result the Company performed a test for goodwill impairment in the second quarter of 2013. For the purposes of assessing impairment where it was not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the CGU to which the asset belongs was estimated. A CGU is defined as the smallest identifiable group of assets for which there are separately identifiable cash inflows. The lowest level within the consolidated group at which the goodwill is monitored for

internal management purposes, depends on the timing and integration of the legal entities acquired where goodwill arose on the business combination.

Where recently acquired subsidiaries are still operating as if they are an independent branch, i.e. negotiating, writing and collecting all contracts under the predecessor name, not sharing significant resources or staff, etc. with IBI Group, the entity is considered an independent CGU. Where groups of entities within the consolidated group share contracts, resources and contribute to the cash inflows of one another, management assessed where independent cash inflows could be identified by grouping the lowest number of entities, which is by geographic location.

- Estimates of expected future EBITDA[1] reflect estimates of future revenues, salaries fee, and employee benefits, rent, and other operating expenses, which are updated as part of the Company's ongoing budgeting process. In arriving at its budget, the Company considered past experience, economic trends such as GDP growth and inflation as well as industry and market trends. The projection also took into account the expected impact from new service initiatives, customer retention and integration programs, and the maturity of the markets in which the business operates. The Company's forecasts are based on revenue backlog, mix of employee staff levels and compensation, timing of project completion, and other factors related to the Company's project management. Due to the manner in which it fills its revenue backlog, management believes that the most recent and immediate following year are the best indicators of the Company's ongoing EBITDA[1].

- Since public companies in the Company's industry typically trade at a market capitalization that is based on a multiple of their EBITDA[1], a market participant would generally apply an EBITDA[1] multiple when estimating the fair value of a professional services company. When it acquires entities, the Company uses multiples that are specific to those countries and entities, which may vary from public multiples.

- The recoverable amount of each CGU was based on the higher of fair value less cost to sell and value in use, which was determined to be fair value less costs to sell for all CGUs. The fair value less costs to sell of each CGU was calculated by taking an average of:

  - The CGU's January 1, 2013 to December 31, 2013 EBITDA[1] multiplied by an earnings multiple of seven, or for recent acquisitions, the earnings multiple implied in the purchase price of the acquisition.

  - The CGU's January 1, 2014 to December 31, 2014 management forecasted EBITDA[1] multiplied by an earnings multiple of six, or for recent acquisitions, the earnings multiple used when determining the purchase price of the acquisition

  Costs to sell, estimated at 3%, were deducted from the fair value calculation, which is in line with the average transaction costs in recent acquisitions made by the Company.

[1] References to "EBITDA" in respect of impairment testing is to earnings before interest, income taxes, depreciation and amortization. EBITDA is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS.

- The earnings multiple of seven was selected to apply to historical EBITDA[1] based on search of industry comparables. The earnings multiple of six was selected to apply to the 2014 forecasted EBITDA[1] in order to incorporate a discount to the forecasted EBITDA[1]. The earnings multiple used for recently acquired CGUs were selected because this was an accurate reflection of the market value paid for the recently acquired CGU.

As a result of the analysis the Company recorded an impairment charge of $159,893 to goodwill and $20,608 to intangibles in 2013. In 2013 the Company had 14 CGUs, the allocation of the impairment charge by segment is identified below:

	As at December 31, 2013		
	Goodwill Impairment	Intangible Impairment	Total
Canada	$ 129,069	$ 13,667	$ 142,736
US	22,798	3,419	26,217
International	8,026	3,522	11,548
Total Impairment	$ 159,893	$ 20,608	$ 180,501

NOTE 9: INCOME TAXES

The major components of income tax expense include the following:

	Year ended	
	December 31, 2014	December 31, 2013
Current tax expense (recovery)		
Current period	$ 1,325	$ (209)
Adjustment for prior periods	215	98
	1,540	(111)
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(64)	(20,766)
Change in tax rates	256	(144)
Adjustment for prior periods	427	317
Change in unrecognized deductible temporary differences	683	7,669
	1,302	(12,924)
Total tax expense (recovery)	$ 2,842	$ (13,035)

The provision for income taxes in the consolidated statement of comprehensive income represents an effective tax rate different than the Canadian enacted or substantively enacted statutory rate of approximately 26.5%. The differences are as follows:

	Year ended	
	December 31, 2014	December 31, 2013
Net income (loss)	$ 5,919	$ (209,898)
Total tax expense (recovery)	2,842	(13,035)
Net income (loss) before taxes	$ 8,761	$ (222,933)
Income tax using the Company's domestic tax rate	$ 2,322	$ (59,077)
Income tax effect of:		
Non-deductible expenses	1,682	661
Change in deferred tax rates	256	(144)
Non-controlling interests share of income	21	1,182
Operating in jurisdictions with different tax rates	(570)	(3,709)
Change in unrecognized temporary differences	683	7,669
Prior period adjustments to current tax	218	13
Prior period adjustments to deferred tax	427	302
Withholding taxes	73	141
Impairment of goodwill	-	43,221
Benefit retained on discontinued operations	(2,457)	(3,207)
Other	187	(87)
Income tax expense (recovery)	$ 2,842	$ (13,035)

The applicable tax rate is the aggregate of the Canadian Federal income tax rate of 15% and the Provincial income tax rate of 11.5%.

Unrecognized deferred tax liabilities

As at December 31, 2014, the Company has approximately $12,979 (December 31, 2013 - $4,958) of temporary differences associated with its investments in foreign subsidiaries for which no deferred taxes have been provided on the basis that the company is able to control the timing of the reversal of such temporary differences and that such reversal is not probable in the foreseeable future.

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following gross temporary differences:

	Year ended	
	December 31, 2014	December 31, 2013
Deductible temporary differences	$ 16,401	$ 13,897
Tax losses – Federal	17,168	16,210
Tax losses – State	32,087	25,878
	$ 65,656	$ 55,985

The tax effected amount of unrecognized gross temporary differences is as follows:

	Year ended	
	December 31, 2014	December 31, 2013
Deductible temporary differences	$ 6,069	$ 5,414
Tax losses – Federal	6,267	5,760
Tax losses – State	2,246	1,294
	$ 14,582	$ 12,468

As at December 31, 2014, the Company's affiliated entities have $ 42,153 (December 31, 2013 - $31,764) of operating loss carry forwards available for income tax purposes, which expire in the years 2016 through 2034. Deferred tax assets are recognized for these operating loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The ability of the Company to realize the tax benefits of the loss carry forwards is contingent on many factors, including the ability to generate future taxable profits in the jurisdictions in which the tax losses arose.

The Company regularly assesses the status of open tax examinations and its historical tax filing positions for the potential for adverse outcomes to determine the adequacy of the provision for income and other taxes. The Company believes that it has adequately provided for any tax adjustments that are more likely than not to occur as a result of ongoing tax examinations or historical filing positions.

The tax effect of temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases that give rise to significant portions of the deferred tax assets at December 31, 2014 and December 31, 2013 are presented below:

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Year ended December 31, 2014		
	Assets	Liabilities	Total
Property and equipment	$ 1,995	$ (6)	$ 1,989
Non-capital loss	10,567	-	10,567
Reserves	1,350	(8,426)	(7,076)
Financing costs	1,366	-	1,366
Intangible assets	3,610	(206)	3,404
Other	692	(52)	640
	$ 19,580	$ (8,690)	$ 10,890

	Year ended December 31, 2013		
	Assets	Liabilities	Total
Property and equipment	$ 752	$ (55)	$ 697
Non-capital loss	8,260	-	8,260
Reserves	168	(2,214)	(2,046)
Financing costs	-	(125)	(125)
Intangible assets	5,429	-	5,429
Other	(388)	378	(10)
	$ 14,221	$ (2,016)	$ 12,205

Deferred tax assets and liabilities - Movement in temporary differences during the year

	Balance January 1, 2014	Recognized in profit or loss	Other deferred tax items	Balance December 31, 2014
Property, plant and equipment	$ 697	$ 1,292	$ -	$ 1,989
Non-capital loss	8,260	2,307	-	10,567
Reserves	(2,046)	(5,030)	-	(7,076)
Financing costs	(125)	1,491	-	1,366
Intangible assets	5,429	(2,025)	-	3,404
Other	(10)	663	(13)	640
	$ 12,205	$ (1,302)	$ (13)	$ 10,890

	Balance, January 1, 2013	Recognized in profit or loss	Other deferred tax items	Balance, December 31, 2013
Property, plant and equipment	$ 1,073	$ (376)	$ -	$ 697
Non-capital loss	1,074	7,186	-	8,260
Reserves	(2,389)	343	-	(2,046)
Financing costs	182	(307)	-	(125)
Intangible assets	(900)	6,329	-	5,429
Other	(55)	(251)	296	(10)
	$ (1,015)	$ 12,924	$ 296	$ 12,205

NOTE 10: RELATED PARTY TRANSACTIONS

Pursuant to the Administration Agreement entered into in connection with the closing of the initial public offering of the Company's predecessor, the Fund, IBI Group and certain of its subsidiaries are paying to the Management Partnership an amount representing the base compensation for the services of the principals of the partners of the Management Partnership. The amount paid for such services during the year ended December 31, 2014 was $26,094 (year ended December 31, 2013 - $28,355). As at December 31, 2014 there were 98 partners (December 31, 2014 – 101 partners).

IBI Group from time to time makes a monthly distribution to each Class B partnership unit holder equal to the dividend per share (on a pre-tax basis) declared to each shareholder. All of the Class B partnership units are held by the Management Partnership. As at December 31, 2014 and 2013 the amount of distributions payable to the Management Partnership were nil.

During the first quarter of 2010, the Management Partnership advanced $26,000 to IBI Group. The loan bears interest at the same rate as the operating line of credit that IBI Group has with its bank lender, less any commitment fees payable to its bank lender. The loan is subordinated to the Company's credit facilities with its bank lender and is unsecured. As at December 31, 2014, the remaining amount payable was $10,000 (December 31, 2013 - $10,000). Interest expense on this advance was $380 for the year ended December 31, 2014 (2013 - $380). The loan matures April 1, 2015 with no repayment prior to the maturity of the credit facility unless the Company achieves certain financial covenants. Subsequent to year end, the Partnership and Board of Directors approved a plan to convert the Principal outstanding into common shares of IBI.

As noted in Note 18 –Discontinued Operations, on October 2, 2014, Daniel Arbour, who previously led IBI Group's operations in China, acquired a 19% equity interest in IBI China Holdings Limited ("China"). The Company also sold a 30% equity interest in China to Lemay for approximately $510, subject to final closing adjustments. In addition, a 19% equity interest in China was sold to Champlain (2014) Inc. ("Champlain") in exchange for a non-interest bearing receivable for $475. The receivable will be settled based on an earn-out period over the next four years. Champlain is 100% owned by Daniel Arbour, who has led IBI Group's operations in China and is a related party to the Company.

Compensation of Key Management Personnel

The Company's key management personnel are comprised of the Board and members of the executive team of the Company, to the extent that they have the authority and responsibility for planning, directing and controlling the day-to-day activities of the Company.

	Year ended December 31, 2014	Year ended December 31, 2013
Directors fees, salaries and other short-term employee benefits	$ 2,601	$ 3,429
Share–based compensation	183	162
Total compensation	$ 2,784	$ 3,591

NOTE 11: EQUITY

(a) Shareholders' equity

The Company is authorized to issue an unlimited number of common shares. As at December 31, 2014, the Company's common share capital consisted of 17,808,484 shares issued and outstanding (December 31, 2013 – 17,532,993 shares).

Each share entitles the holder to one vote at all meetings of shareholders.

The 5,025,778 Class B partnership units of IBI Group are indirectly exchangeable for common shares of the Company on the basis of one share of the Company for each Class B subordinated partnership unit. If all such Class B partnership units of IBI Group had been exchanged for shares on December 31, 2014, the units issued on such exchange would have represented a 22.2% interest in the Company.

Class B partnership units do not entitle the holder to voting rights at the meetings of shareholders. The Class B partnership units have been recorded as a non-controlling interest in the consolidated financial statements as at December 31, 2014 and 2013.

Share Issuances

2014

- During the year ended December 31, 2014, the Company issued 141,805 common shares for a total of $404 in exchange for Class B partnership units of IBI (US) Limited Partnership which had been issued in a prior year for the acquisition of one of its subsidiaries. This resulted in a reduction of non-controlling interest by $2,233 with a corresponding increase to contributed surplus for $1,829 in the period.
- During year ended December 31, 2014, the Company issued 113,991 shares for a total of $250 related to the settlement of deferred share units exercised by former members of the Board of Directors.
- During the year ended December 31, 2014, the Company issued 20,000 common shares for a total of $24 in exchange for Class D partnership units of IBI Group which had been issued in a prior year for the acquisition of one of its subsidiaries. This resulted in a reduction of non-controlling interest by $301 with a corresponding increase to contributed surplus for $277 in the period.

2013

- During the year ended December 31, 2013, the Company issued 12,000 common shares under the Dividend Reinvestment Plan ("DRIP") for a total of $74.
- During the year ended December 31, 2013, the Company issued 286,000 common shares, 44,780 common shares and 344,000 common shares for acquisition payments for a total of $2,579. These share issuances were settled by reducing notes payable.

Dividends

On May 24, 2013 the Company suspended its dividend and no dividends were declared after February 2013. In February 2013, the Company declared quarterly dividends of $2,316.

Earnings (loss) per share from continuing and discontinued operations

	Year ended December 31, 2014	Year ended December 31, 2013
Net income (loss) from continuing operations attributable to owners of the Company	$ 4,605	$ (162,325)
Net loss from discontinued operations attributable to owners of the Company	(7,063)	(10,494)
Net loss attributable to owners of the Company	$ (2,458)	$ (172,819)
Reduction in net loss attributable to owners of the Company due to dilution	-	-
Net loss attributable to owners of the Company for diluted loss per common share	$ (2,458)	$ (172,819)
Weighted average common shares outstanding	17,642	17,201
Dilutive effect of Class B partnership units	5,026	-
Diluted weighted average common shares outstanding	22,668	17,201
Basic and diluted loss per common share	$ (0.14)	$ (10.05)
Basic earnings (loss) per share from continuing operations	$ 0.26	$ (9.44)
Diluted earnings (loss) per share from continuing operations	$ 0.20	$ (9.44)
Basic and diluted loss per common share from discontinued operations	$ (0.40)	$ (0.61)

For the purposes of calculating diluted earnings (loss) per share, any impact of the convertible rights on the convertible debentures are not included in the calculation of net loss per common share or weighted average number of common shares outstanding as they would be anti-dilutive.

For the purposes of calculating diluted loss per share in 2013, any impact of the exchange rights of the non-controlling interest are not included in the calculation of net loss per common share or weighted average number of common shares outstanding as they would be anti-dilutive.

(b) Non-controlling interest

Non-controlling interest in the Company's subsidiaries is exchangeable into the common shares of the Company on a one for one basis, subject to certain conditions. The movement in non-controlling interest is shown in the consolidated statement of changes in equity.

The calculation of net loss and total comprehensive loss attributable to non-controlling interest is set out below:

	Year ended December 31, 2014	Year ended December 31, 2013
Net loss	$ (3,160)	$ (223,468)
Non-controlling interest share of ownership	22.2%	22.7%
Net loss attributable to non-controlling interest	$ (702)	$ (50,649)

	Year ended December 31, 2014	Year ended December 31, 2013
Total comprehensive loss	$ (3,526)	$ (221,312)
Non-controlling interest share of ownership	22.2%	22.7%
Total comprehensive loss attributable to non-controlling interest	$ (784)	$ (50,161)

NOTE 12: FINANCIAL RISK MANAGEMENT

The Company has exposure to market, credit and liquidity risk. The Company's primary risk management objective is to protect the Company's statement of financial position, comprehensive loss and cash flow in support of sustainable growth and earnings. The Company's financial risk management activities are governed by financial policies that cover risk identification, tolerance, measurement, authorization levels, and reporting.

(a) Market risk

Interest Rate Risk

The Company's credit facilities have floating-rate debt, which subjects it to interest rate cash flow risk. Advances under these credit facilities bear interest at a rate based on the Canadian dollar or United States dollar prime rate, LIBOR or banker's acceptance rates, plus, in each case, an applicable margin.

If the interest rate on the Company's variable rate loan balance as at December 31, 2014, had been 50 basis points higher, with all other variables held constant, net loss for the year ended December 31, 2014 would have increased by approximately $270. If the interest rate had been 50 basis points lower, there would have been an equal and opposite impact on net loss.

Currency Risk

The Company's foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company's policy has been to economically hedge foreign exchange exposures rather than purchasing currency swaps and forward foreign exchange contracts.

Foreign exchange gains or losses in the Company's net income arise on the translation of foreign-denominated financial assets and liabilities (such as cash, accounts receivable, work in process, accounts payable, credit facilities and vendor notes payable) held in the Company's Canadian operations. The Company minimizes its exposure to foreign exchange fluctuations on these items by matching US-dollar liabilities when possible.

If the exchange rates had been 100 basis points higher or lower at December 31, 2014, with all other variables held constant, net loss would have increased or decreased by $92 for the year ended December 31, 2014.

(b) Credit risk

Financial instruments that subject the Company to credit risk consist primarily of accounts receivable. The Company maintains an allowance for impairment losses on accounts receivable. The estimate is based on the best assessment of the ultimate collection of the related accounts receivable balance based, in part, on the age of the outstanding accounts receivable and on its historical impairment loss experience.

The Company provides services to diverse clients in various industries and sectors of the economy, and its credit risk is not concentrated in any particular client, industry, economic or geographic sector. In addition, management reviews accounts receivable past due on an ongoing basis with the objective of identifying matters that could potentially delay the collection of funds (at an early stage). The Company monitors accounts receivable with an internal target of working days of revenue in accounts receivable (a non-IFRS measure). At December 31, 2014 there were 62 working days of revenue in accounts receivable, 1 day less than 63 days at December 31, 2013. The maximum exposure to credit risk, at the date of the statement of financial position to recognized financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position.

A significant portion of the accounts receivable are due from government and public institutions. Receivables that are neither past due nor impaired are considered by management to have no significant collection risk. The liquidity of customers and their ability to pay receivables are considered by management to have no significant collection risk. The liquidity of customers and their ability to pay receivables are considered in assessing the impairment of such assets. No collateral is held in respect of impaired assets or assets that are past due but not impaired.

The aging of the accounts receivable are detailed below with the entire allowance for impairment losses relating to accounts receivable over 90 days:

	December 31, 2014	December 31, 2013
Current	$ 40,284	$ 34,283
30 to 90 days	32,241	31,353
Over 90 days	49,676	57,238
Allowance for impairment losses	(15,750)	(18,083)
Total	$ 106,451	$ 104,791

(c) Liquidity Risk

The Company strives to maintain sufficient financial liquidity to withstand sudden adverse changes in economic circumstances. Management forecasts cash flows for its current and subsequent fiscal years to identify financing requirements. These requirements are then addressed through a combination of committed credit facilities and access to capital markets.

As at December 31, 2014, the Company had $10,342 of cash plus $8,577 of available credit under its credit facilities.

Access to additional liquidity is subject to meeting the terms of the credit facilities, the Company's operating performance and the implementation of a recapitalization plan subject to lender approval. As noted in Note 6 - Financial Instruments and in Note 18 - Discontinued Operations, the Company amended the 7.0% convertible debentures, divested certain operations in Quebec and China and amended the credit facilities with the lending syndicate during the year.

As at December 31, 2013, the Company had $8,066 of cash plus $29,821 of available credit available under its credit facilities.

IBI Group's credit facilities (the "Credit Facilities") will need to be renewed or refinanced no later than March 31, 2016. The Company is putting together a plan to support an extension or refinancing alternative, which is subject to approval from their lenders acting reasonably Although the Company believes that it can negotiate an extension or renewal of the Credit Facilities or obtain replacement financing prior the expiration of the Credit Facilities, there can be no assurance that the Credit Facilities will be extended or renewed or that future borrowings will be available to IBI Group, or available on acceptable terms, in an amount sufficient to meet the Company's financing requirements at that time. If such an extension or renewal or future borrowings were not available, or not available on acceptable terms, it would have a material adverse impact on the Company's business and financial condition.

The Company has the following contractual obligations as at December 31, 2014:

	Years ended December 31				
	Carrying amount	2015	2016 and 2017	2018 and 2019	2020 and beyond
Accounts payable and accrued liabilities	$ 57,449	$ 57,449	$ -	$ -	$ -
Credit facilities	73,423	10,000	63,423	-	-
Interest on credit facilities	-	4,956	1,239	-	-
Convertible debentures	98,437	-	20,000	103,500	-
Interest on convertible debentures	-	7,820	15,353	7,418	-
Vendor notes payable[1]	5,013	5,013	-	-	-
Consent fee notes payable	2,631	-	3,500	-	-
Finance lease obligation	928	693	176	59	-
Due to related parties	10,000	10,000	-	-	-
Total obligations	$ 247,881	$ 95,931	$ 103,691	$ 110,977	$ -

(d) Capital management

The Company's objective in managing capital is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future growth within the business. The Company defines its capital as the aggregate of credit facility, convertible debentures and equity.

The Company's financing strategy is to access capital markets to raise debt and equity financing and utilize the banking market to provide committed term and operating credit facilities to support its short-term and long-term cash flow needs.

The Company has used the credit facilities to fund working capital. The credit facilities contain financial covenants including funded debt to Adjusted EBITDA[2] ratio, fixed charge coverage ratio, and restrictions on distributions. All financial covenants were in compliance as at December 31, 2014.

[1] As disclosed in Note 19 – Notes Payable, the Company renegotiated the terms of the vendor notes payable in January 2015 to extend the maturity to June 30, 2016.

[2] As defined in the credit facilities agreement, references to "Adjusted EBITDA" is to earnings before interest, income taxes, depreciation and amortization; adjusted for gain/loss arising from extraordinary, unusual or non-recurring items; acquisition costs and deferred consideration revenue; non-cash expenses; gain/loss realized upon the disposal of capital property; gain/loss on foreign exchange translation; gain/loss on purchase or redemption of securities issued; amounts attributable to minority equity investments; and interest income. Adjusted EBITDA is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS, and the Company's method of calculating Adjusted EBITDA may differ from the methods used by other similar entities.

As disclosed in Note 6 – Financial Instruments, on July 23, 2014, the Company amended the 7.0% convertible debentures with a face value of $46,000 to extend the maturity date from December 31, 2014 to June 30, 2019.

(e) Fair value measurements

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, vendor notes payable, consent fee notes payable and finance lease obligation approximate their carrying amounts due to their short-term maturity.

The fair value of the Company's credit facilities (net of deferred financing costs) approximate carrying value due to the variable rate of interest of the debt.

IFRS 7 *Financial Instruments – Disclosures*, requires financial instruments that are measured subsequent to initial recognition at fair value, grouped in Levels 1 to 3, in the fair value hierarchy, based on the degree to which the fair value is observable. The three levels of the fair value hierarchy are:

- Level 1 – inputs derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – fair value derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period. There were no transfers between Level 1 and Level 2 for the years ended December 31, 2014 and December 31, 2013.

The following tables summarize the Company's fair value hierarchy for those assets and liabilities that are measured at fair value on a recurring basis as at December 31, 2014 and December 31, 2013:

	As at December 31, 2014		
	Level 1	Level 2	Level 3
Cash	$ 10,342	$ -	$ -
Deferred share plan liability[1]	-	391	-
	$ 10,342	$ 391	$ -

	As at December 31, 2013		
	Level 1	Level 2	Level 3
Cash	$ 8,066	$ -	$ -
Deferred share plan liability[1]	-	138	-
	$ 8,066	$ 138	$ -

NOTE 13: CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	Year ended	
	December 31, 2014	December 31, 2013
Accounts receivable	$ (9,807)	$ 40,293
Work in process	3,864	21,660
Prepaid expenses and other assets	(3,841)	(409)
Bank indebtedness	-	(589)
Accounts payable and accrued liabilities	17,110	(6,603)
Deferred revenue	15,809	3,146
Net income taxes payable	(493)	110
Acquisition of working capital	-	(1,547)
Change in non-cash operating working capital	$ 22,642	$ 56,061

[1] The deferred share plan liability is grouped with accounts payable and accrued liabilities on the statement of financial position. See Note 16 – Deferred Share Plan, for further discussion.

NOTE 14: COMMITMENTS

Non-cancellable operating leases where the Company is the lessee are payable as set out below. These amounts represent the minimum annual future lease payments (excluding CAM and property taxes), in aggregate, that the Company is required to make under existing operating lease agreements.

2015	$ 20,968
2016	20,355
2017	18,872
2018	16,575
2019	13,020
Thereafter	87,973

The Company leases certain property and equipment under operating leases. The leases typically run for an initial lease period with the potential to renew the leases after the initial period at the option of the Company.

One of the leased properties has been sub-let by the Company. The lease expires in 2024 and the sublease expires in 2018. Sublease payments of $1,457 are expected to be received during 2015.

The rent expense recognized in the consolidated statement of comprehensive loss:

	Year ended	
	December 31, 2014	December 31, 2013
Lease expense	$ 22,414	$ 20,058
Onerous lease provision	4,798	-
Sublease income	(364)	-
Total rent expense	$ 26,848	$ 20,058

NOTE 15: FINANCE COSTS (INCOME)

	Year ended	
	December 31, 2014	December 31, 2013
Interest on credit facilities	$ 6,363	$ 3,641
Interest on convertible debentures	7,820	7,820
Interest on consent fee notes payable	115	-
Non-cash accretion of convertible debentures	3,705	2,147
Non-cash accretion of consent fee notes payable	193	-
Other	497	614
Interest expense, net	$ 18,693	$ 14,222
Amortization of deferred financing costs	$ 3,803	$ 402
Gain on extinguishment of 7.0% convertible debentures	(18,700)	-
Other	312	229
Other finance (income) costs	$ (14,585)	$ 631
Finance costs for the year	$ 4,108	$ 14,853

NOTE 16: DEFERRED SHARE PLAN

The Company offers a deferred share plan (“DSP”) for members of the board of directors. Under the DSP, directors of the Company may elect to allocate all or a portion of their annual compensation in the form of deferred shares rather than cash. These shares are fully vested upon issuance and are recorded as a financial liability at FVTPL in the consolidated statement of financial position amounting to $391. Directors can only redeem their DSPs for shares when they retire.

During the year ended December 31, 2014, the Company granted 164,820 deferred shares (December 31, 2013 – 103,380) and redeemed 113,993 deferred shares (December 31, 2013 – nil), for a total of 207,954 deferred shares outstanding as at December 31, 2014 (December 31, 2013 – 157,127). Compensation expense for the year ended December 31, 2014 related to the deferred shares was $393 (December 31, 2013 – recovery of $209). There is no unrecognized compensation expense related to deferred shares, since these awards vest immediately when granted.

The table below shows the DSP transactions for the year ended December 31, 2014:

	Deferred shares	Fair value
Balance, January 1, 2014	157,127	$ 138
Deferred shares issued	164,820	289
Deferred shares redeemed	(113,993)	(140)
Change in fair value due to share price	-	104
Balance, December 31, 2014	207,954	$ 391

The table below shows the DSP transactions for the year ended December 31, 2013:

	Deferred shares	Fair value
Balance, January 1, 2013	53,747	$ 347
Deferred shares issued	103,380	162
Change in fair value due to share price	-	(371)
Balance, December 31, 2013	157,127	$ 138

NOTE 17: CONTINGENCIES

(a) Legal matters

In the normal course of business, the Company is a defendant in a number of lawsuits. The potential liability, if any, is not determinable and in management's opinion, it would not have a material effect on these consolidated financial statements, therefore no provisions have been recorded.

(b) Indemnifications

The Company provides indemnifications and, in very limited circumstances, bonds, which are often standard contractual terms, to counterparties in transactions such as purchase and sale contracts for assets or shares, service agreements, and leasing transactions. The Company also indemnifies its Directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. These indemnifications may require the Company to compensate the counterparty for costs incurred as a result of various events, including changes in or in the interpretation of laws and regulations, or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnifications will vary based upon the contract, the nature of which prevents the Company from making a reasonable estimate of the maximum potential amount that it could be required to pay to counterparties. The Company carries liability insurance, subject to certain

deductibles and policy limits that provides protection against certain insurable indemnifications. Historically, the Company has not made any significant payments under such indemnifications, and no provisions have been accrued in the accompanying consolidated financial statements with respect to these indemnifications as it is not probable that there will be an outflow of resources.

NOTE 18: DISCONTINUED OPERATIONS

During 2014, management determined that certain operations were no longer meaningful contributors to net earnings. Accordingly, a decision was made to solicit bids from prospective purchasers in relation to the sale of these operations.

On October 2, 2014, an agreement was reached to sell certain net assets and operations of IBI/DAA Group Inc.; CHB-IBI Group Inc. and Martin, Marcotte-Beinhaker Inc. (hereinafter collectively described as “Quebec”), to Services Intégrés Lemay & Associés Inc. (“Lemay”). Subject to final closing adjustments, the gross proceeds for the sale of Quebec were expected to be approximately $10,902. As a part of this arrangement, the Company entered into a separate sublease agreement with Lemay for the use of a portion of the Montreal premises for a 3.5 year term and with a one year renewal option, effective October 1, 2014. While the overall agreement excludes the sale of any leasehold improvements made to the premises by the Company, it was determined that Lemay is effectively obtaining some value from the use of these assets during the term of the sublease and accordingly, approximately $500 of the proceeds were allocated to the leasehold improvements for the purposes of determining its fair value as of October 2, 2014.

The Company also sold a 30% equity interest in China to Lemay for approximately $510, subject to final closing adjustments. In addition, a 19% equity interest in China was sold to Champlain (2014) Inc. (“Champlain”) in exchange for a non-interest bearing receivable for $475. The receivable will be settled based on an earn-out period over the next four years. Champlain is 100% owned by Daniel Arbour, who has led IBI Group’s operations in China and is a related party to the Company.

Of the total proceeds received from Lemay of $11,412, $9,082 was received in cash on October 2, 2014 and $2,330 was held in escrow which will be released upon finalization of the closing adjustments and the satisfaction of other post-closing conditions. The final determination of working capital which resulted in the escrow is subject to an arbitration process. Until such time as that arbitration concludes, the Company has excluded the escrow amount from the proceeds of sale. In addition, approximately $1,900 of accounts receivable were not sold and will be collected in the normal course.

As the sale of Quebec and the 49% equity interest in China met the definition of “discontinued operations” under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (“IFRS 5”) as at December 31, 2014, the net loss, other comprehensive loss and total comprehensive loss associated with those operations have been reclassified from continuing operations to discontinued operations.

IFRS 5 requires assets held for sale to be measured at the lower of their carrying value and fair value less costs to sell. When the assets of these entities were held for sale, management evaluated the expected fair value less costs to sell and determined that it was lower than the carrying value, based on the purchase price consideration noted above, net of transaction costs for approximately $594. As a result, an impairment charge of $479 was recorded against the net assets sold in Quebec and a $4,172 impairment charge was recorded against the net assets sold in China. The combined

impairment charge of $4,651 was recorded in the loss from discontinued operations in the statement of comprehensive loss for the year ended December 31, 2014.

The comparative consolidated statement of comprehensive loss for the year ended December 31, 2013 has been restated to show the discontinued operations separately from continuing operations.

The following table summarizes the net loss and cash flows from discontinued operations for Quebec and China combined:

	Year ended	
	December 31, 2014	December 31, 2013
Revenue	$ 23,480	$ 30,579
Expenses	24,750	43,604
Impairment on remeasurement of discontinued operations	(6,981)	-
Operating loss	$ (8,251)	(13,026)
Finance costs	322	500
Current taxes	68	44
Cumulative translation adjustment recognition	438	-
Net loss from discontinued operations	$ (9,079)	$ (13,570)
Net loss from discontinued operations attributable to:		
Common shareholders	$ (7,063)	$ (10,494)
Non-controlling interest	(2,016)	(3,076)
Net cash from (used in) operating activities	$ (42)	$ 4,532
Net cash from (used in) investing activities	(89)	(3,702)
Net cash from (used in) financing activities	(137)	(911)
Effect of foreign currency translation	(22)	(490)
Net decrease in cash during the period	(290)	(571)
Cash, beginning of period	371	942
Cash, end of period	$ 81	$ 371

The following table summarizes the effect of the disposal of Quebec and China on the financial position of the Company:

	December 31, 2014
Cash	$ 282
Accounts receivable	9,221
Work in process	5,596
Prepaid expenses and other current assets	2,399
Property and equipment	1,094
Accounts payable and accrued liabilities	(3,698)
Deferred revenue	(1,874)
Income taxes payable	(43)
Due to related parties	(1,565)
Net assets and liabilities	$ 11,412
Consideration received	11,412
Less: Cash held in escrow	2,330
Net cash inflow	$ 9,082

Management has determined that the expected benefits to be derived by the Company for the leasehold improvements made to the Montreal premises were not fully recoverable and therefore, an impairment charge of $3,248 was recorded to impairment of property and equipment in continuing operations in the statement of comprehensive loss for the year ended December 31, 2014.

Furthermore, Management determined that the head lease for the Montreal premises constitutes an onerous lease contract and therefore, has recorded a charge of $5,129 in rent expense from continuing operations in the statement of comprehensive loss for the year ended December 31, 2014, given the expected benefits to be derived by the Company from this contract were lower than the unavoidable cost of meeting its obligations under the contract. As at December 31, 2014, the outstanding balance of the provision was $4,738. The provision represents the present value of the future lease payments that the Company is presently obligated to make under a non-cancellable head lease contract discounted at a pre-tax risk free discount rate of 2%, less the recovery of the tenant improvement allowance and estimated future sublease income. The estimate may vary as a result of changes in the utilization of the leased premises and sublease arrangements where applicable. The unexpired term of the head lease is until March 1, 2024.

NOTE 19: NOTES PAYABLE

The movement in the vendor notes payable and adjustments to these obligations are as follows:

Balance, January 1, 2013	$	16,696
Share issuances		(2,560)
Repayment		(4,985)
Foreign exchange		615
Purchase price adjustments		(1,851)
Reclassification to non-controlling interest		(2,534)
Balance, December 31, 2013	$	5,381
Repayment		(795)
Foreign exchange		427
Balance, December 31, 2014	$	5,013

The Company has notes payable due to the former owners of acquired businesses of $2,777 which was due on September 30, 2014 and the remaining balance was due on December 11, 2014. The Company renegotiated the terms of these notes payable in January 2015 to extend the maturity to June 30, 2016. Monthly payments on these notes payable are US $0.1 million until May 31, 2016 with a balloon payment of US $2.7 million due June 30, 2016.

The movement in the consent fee notes payable for the year ended December 31, 2014 is as follows:

		Total
Balance, January 1, 2014	$	-
Issuance		2,438
Accretion		193
Balance, December 31, 2014	$	2,631

See Note 6 - Financial Instruments for further details regarding the issuance of consent fee notes related to the amendment of the 7.0% convertible debentures during 2014.

NOTE 20: INVESTMENT IN EQUITY ACCOUNTED INVESTEE

As described in Note 18 – Discontinued Operations, on October 2, 2014, the Company's interest in IBI China Holdings Limited ("China") decreased from 100% to 51%. Although the Company retained 51% interest in China, the Company has determined that it does not have control of this entity and thus it is being accounted for as an equity investment subsequent to the sale.

The following table summarizes the financial information of China as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in China.

	December 31, 2014
Current assets	$3,852
Non-current assets	-
Current liabilities	647
Non-current liabilities	1,603
Net assets (100%)	1,602
Share of net assets of equity accounted investee (51%)	$ 817

The information presented in the following table includes the results of China only for the period from October 3, 2014 to December 31, 2014, because this investment was accounted for as a consolidated subsidiary prior to that date.

	October 3, 2014 – December 31, 2014
Revenue	$ 754
Net loss from continuing operations	(159)
Other comprehensive loss	-
Total comprehensive loss	(159)
Share of total comprehensive loss (51%)	$ (81)

The following table reconciles the Company's investment in China as at December 31, 2014:

	December 31, 2014
Investment in China, October 3, 2014	$ 898
Share of loss of equity-accounted investee	(81)
Investment in China, December 31, 2014	$ 817