ACL International Ltd.

(formerly Anthony Clark International

Insurance Brokers Ltd.)

Audited Consolidated Financial Statements

For the years ended March 31, 2014 and 2013

Independent Auditor's Report

To the Shareholders of ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.)

We have audited the accompanying consolidated financial statements of ACL International Ltd., which comprise the consolidated balance sheets as at March 31, 2014 and March 31, 2013, and the consolidated statements of operations and comprehensive income (loss), consolidated statements of cash flows and consolidated statements of changes in equity for the years ended March 31, 2014 and March 31, 2013, and 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.

Auditor's 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 the auditor's 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, the auditor considers 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 financial position of ACL International Ltd. as at March 31, 2014 and March 31, 2013, and its financial performance and its cash flows for the years ended March 31, 2014 and March 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 21 and 22 to the consolidated financial statements which describe the sale of substantially all of ACL International Ltd.'s assets.

"D&H Group LLP"

Vancouver, B.C.
June 24, 2014

Chartered Accountants

D+H Group LLP Chartered Accountants
10th Floor, 1333 West Broadway
Vancouver, British Columbia
Canada V6H 4C1
Telephone: 604 731 5881
Facsimile: 604 731 9923
Email: info@dhgroup.ca
www.DHgroup.ca
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ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Balance Sheets
(Expressed in Canadian dollars)

As at	**Note**	**March 31, 2014**	**March 31, 2013**
Assets			
Current assets			
Cash		$ 1,005,850	$ 1,148,674
Trade receivables		1,162,656	2,062,758
Trust cash		-	62,052
Prepaid expenses		182,998	206,489
		2,351,504	3,479,973
Property and equipment	7	389,481	510,809
Customer accounts	8	1,097,379	1,373,408
Goodwill	9	7,317,360	12,391,291
		$ 11,155,724	$ 17,755,481
Liabilities			
Current liabilities			
Trade payables and accrued liabilities		$ 1,859,837	$ 1,715,994
Income taxes payable		700,521	442,281
Current portion of long-term debt	10	1,310,953	1,309,448
Current portion of leasehold inducement		72,850	72,850
		3,944,161	3,540,573
Long-term debt	10	12,556,018	16,436,706
Leasehold inducement		139,629	212,479
Deferred income tax	15	56,336	73,121
		16,696,144	20,262,879
Equity			
Share capital	11	9,473,447	9,561,719
Accumulated other comprehensive income (loss)		-	(61,913)
Contributed surplus		2,780,994	2,703,024
Deficit		(18,582,336)	(15,760,394)
Equity attributable to owners of the Company		(6,327,895)	(3,557,564)
Non-controlling interest in consolidated subsidiary	12	787,475	1,050,166
		(5,540,420)	(2,507,398)
		$ 11,155,724	$ 17,755,481

Event after the reporting period	21
Commitments	16
Contingencies	20

The accompanying notes are an integral part of these consolidated financial statements.

"Tony Consalvo"
Director

"Rob Sadleir"
Director

ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Statements of Operations and Comprehensive Income (Loss)
Years ended March 31, 2014 and 2013
(Expressed in Canadian dollars)

	Note	2014	2013
Revenue		$ 10,294,961	$ 9,886,810
Expenses			
Salaries and wages		4,996,935	4,757,212
General and administrative		1,607,215	1,473,698
Rent		246,689	216,545
		6,850,839	6,447,455
Earnings before interest, income taxes, depreciation and amortization		3,444,122	3,439,355
Interest and financing costs	17	(863,676)	(885,215)
Depreciation and amortization	7, 8	(711,078)	(748,686)
Earnings before income taxes		1,869,368	1,805,454
Income taxes	15		
Current		(823,400)	(825,140)
Deferred recovery		16,785	6,687
		(806,615)	(818,453)
Net earnings from continuing operations		1,062,753	987,001
Gain (loss) from discontinued operations	6	(2,804,844)	176,019
Net earnings (loss) for the year		(1,742,091)	1,163,020
Other comprehensive income (loss)			
Reclassification adjustment relating to discontinued operations		(10,450)	167
Exchange differences on translating foreign operations		72,363	32,676
Comprehensive income (loss) for the year		$ (1,680,178)	$ 1,195,863
Earnings (loss) attributable to:			
Common shareholders		$ (2,832,392)	$ 67,464
Non-controlling interest in consolidated subsidiary		1,090,301	1,095,556
		$ (1,742,091)	$ 1,163,020
Comprehensive income (loss) attributable to:			
Common shareholders		$ (2,770,479)	$ 100,307
Non-controlling interest in consolidated subsidiary		1,090,301	1,095,556
		$ (1,680,178)	$ 1,195,863
Earnings (loss) per share			
From continuing and discontinued operations			
Basic		$ (0.29)	$ 0.01
Diluted		$ (0.29)	$ 0.01
From continuing operations			
Basic		$ -	$ (0.01)
Diluted		$ -	$ (0.01)

The accompanying notes are an integral part of these consolidated financial statements.

ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Statements of Cash Flows
Years ended March 31, 2014 and 2013
(Expressed in Canadian dollars)

	Note	2014	2013
Cash flow from (used in) operating activities			
Net earnings (loss) for the year		$ (1,742,091)	$ 1,163,020
(Gain) loss from discontinued operations		2,804,844	(176,019)
Net earnings from continuing operations		1,062,753	987,001
Adjustments to reconcile net cash provided by operating activities			
Depreciation and amortization		711,078	748,686
Deferred income taxes (recovery)		(16,785)	(6,687)
Amortization of deferred financing costs		12,865	12,865
		1,769,911	1,741,865
Changes in non-cash working capital accounts			
Trade receivables		494,080	(150,502)
Prepaid expenses		(28,794)	2,195
Trade payables and accrued liabilities		223,570	(21,806)
Income taxes payable		258,240	121,294
Leasehold inducement liability		(72,850)	(60,709)
Changes in non-cash working capital accounts from discontinued operations		(216,730)	(328,066)
		2,427,427	1,304,271
Cash flow from (used in) financing activities			
Repayments on long-term debt		(4,453,988)	(1,411,794)
Repurchase of shares under issuer bid		(10,302)	(36,580)
Distribution to non-controlling interest	12	(1,352,992)	(1,125,406)
		(5,817,282)	(2,573,780)
Cash flow from (used in) investing activities			
Additions to property and equipment		(7,229)	(14,146)
Additions to customer accounts		(162,398)	-
Proceeds on sale of discontinued operations	6	3,383,060	1,078,120
		3,213,433	1,063,974
Effect of foreign exchange		33,598	(33,042)
Increase (decrease) in cash during the year		(142,824)	(238,577)
Cash, beginning of the year		1,148,674	1,387,251
Cash, end of the year		$ 1,005,850	$ 1,148,674

Supplemental cash flow information - See Note 19.

The accompanying notes are an integral part of these consolidated financial statements.

ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Statements of Changes in Equity
Years ended March 31, 2014 and 2013
(Expressed in Canadian dollars)

	Attributable to equity holders of the Company							
	Share capital							
	Number of shares	Amount	Accumulated other comprehensive income (loss)	Contributed surplus	Deficit	Equity attributable to owners of the Company	Non-controlling interest in consolidated subsidiary	Total equity
Balance as at April 1, 2013	9,694,684	$ 9,561,719	$ (61,913)	$ 2,703,024	$ (15,760,394)	$ (3,557,564)	$ 1,050,166	$ (2,507,398)
Distributions to non-controlling interest	-	-	-	-	-	-	(1,352,992)	(1,352,992)
Charge to capital on repurchase of shares through issuer bid	(89,500)	(88,272)	-	-	-	(88,272)	-	(88,272)
Excess of share stated amount over share redemption amount	-	-	-	77,970	-	77,970	-	77,970
Reclassification adjustment relating to discontinued operations	-	-	(10,450)	-	10,450	-	-	-
Exchange differences on translating foreign operations	-	-	72,363	-	-	72,363	-	72,363
Net earnings (loss) for the year	-	-	-	-	(2,832,392)	(2,832,392)	1,090,301	(1,742,091)
Balance, March 31, 2014	9,605,184	$ 9,473,447	$ -	$ 2,780,994	$ (18,582,336)	$ (6,327,895)	$ 787,475	$ (5,540,420)
Balance as at April 1, 2012	9,913,184	$ 9,777,222	$ (94,756)	$ 2,524,100	$ (15,827,691)	$ (3,621,125)	$ 1,080,016	$ (2,541,109)
Distributions to non-controlling interest	-	-	-	-	-	-	(1,125,406)	(1,125,406)
Charge to capital on repurchase of shares through issuer bid	(218,500)	(215,503)	-	-	-	(215,503)	-	(215,503)
Excess of share stated amount over share redemption amount	-	-	-	178,924	-	178,924	-	178,924
Reclassification adjustment relating to discontinued operations	-	-	167	-	(167)	-	-	-
Exchange differences on translating foreign operations	-	-	32,676	-	-	32,676	-	32,676
Net earnings for the year	-	-	-	-	67,464	67,464	1,095,556	1,163,020
Balance, March 31, 2013	9,694,684	$ 9,561,719	$ (61,913)	$ 2,703,024	$ (15,760,394)	$ (3,557,564)	$ 1,050,166	$ (2,507,398)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.) (the "Company") is an Alberta, Canada Corporation with common shares listed on the TSX Venture Exchange under the trading symbol "ACL". The Company's principal office is located at 102, 7909 Flint Road SE, Calgary, Alberta, Canada, T2H 1G3.

The Company's principal business activities involved the operation of a general insurance brokerage, which was sold subsequent to year end. See Note 21.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These audited consolidated financial statements and the accompanying notes were authorized for issuance in accordance with a resolution of the Board of Directors on June 24, 2014.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS which contemplates the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Financial assets and liabilities are offset and the net amount is reported on the audited consolidated balance sheets only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Basis of Consolidation

The consolidated financial statements of the Company include the accounts of all of its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Inter-company transactions and balances are eliminated upon consolidation. Transactions with non-controlling interests are treated as transactions with equity owners of the Company. Gains or losses on disposals to non-controlling interests are computed and recorded in equity.

As at March 31, 2014 and 2013 the subsidiaries of the Company were:

Company	Location of incorporation or organization	Functional Currency	Ownership interest 2014	Ownership interest 2013
Anthony Clark Insurance Brokers Ltd. ("ACI")	Canada	Cdn	51%	51%
1275925 Alberta Inc.	Canada	Cdn	100%	100%
Addison America Partnership	United States	U.S.	100%	100%
Addison York Insurance Brokers Ltd.	United States	U.S.	100%	100%
Addison Bay Insurance Brokers Ltd.	United States	U.S.	100%	100%
Addison Low Cost Insurance Brokers Ltd.	United States	U.S.	100%	100%
American Edge Insurance Services Ltd.	United States	U.S.	100%	100%

Use of Estimates and Judgments

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are as follows:

Use of Judgments

Cash Generating Units

The determination of cash generating units ("CGUs") requires judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by geographical area, similar exposure to market risk and materiality.

Impairment of Customer Accounts

The assessment of customer accounts for any indications of impairment involves judgment. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that carrying amount exceeds recoverable amount. The assessment requires judgment as to the economic and industry conditions, the estimated future revenues to be generated by the customer accounts, operating costs and the discount rate to be applied to such revenues and costs.

Income tax

Management exercises judgment in estimating the provision for income taxes. The Company is subject to income tax laws in various jurisdictions where it operates. Various tax laws are potentially subject to different interpretations by the taxpayer and the relevant tax authority. To the extent that the Company's interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

Use of Estimates

Impairment of Goodwill

Goodwill is assessed for impairment at the CGU level on an annual basis and more frequently if there are potential indicators of impairment. An impairment loss is recognized if the carrying value of a CGU exceeds its recoverable amount. The recoverable amount of a CGU is determined from the greater of fair value less costs to sell or "value in use" calculations based on the net present value of discounted cash flows. Key assumptions used in the calculation of recoverable amounts are normalized EBITDA (Earnings Before Interest, Taxes, and Depreciation and Amortization) based on past performance and management expectations for the Company and industry and WACC (Weighted Average Cost of Capital).

Amortization and Depreciation

Management is required to make certain estimates and assumptions when determining the amortization and depreciation methods and rates and residual values of property and equipment and customer accounts. Useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. Management reviews amortization and depreciation methods, rates, and residual values annually and adjusts amortization and depreciation accordingly on a prospective basis.

Revenue recognition

Commission revenue, which is earned by the placement of insurance policies with underwriters, is recognized as of the effective date of each policy provided that collection is believed to be probable. Funds received in respect of revenue not yet earned are accounted for as deferred revenue. Contingent commissions are based on the underwriters' profitability on insurance policies placed by the Company and are recognized when received.

Trust cash

Certain premiums collected, net of related commissions, but not yet remitted to insurance carriers are restricted by contract and by law in certain jurisdictions.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and, where necessary, write-downs for impairment. Depreciation is calculated over the estimated useful lives of the property and equipment, using the following rates and methods:

Computer equipment	- 30% declining balance
Furniture and equipment	- 20% declining balance
Leasehold improvements	- straight-line over the term of the related lease

The useful lives are reviewed annually and are adjusted if current estimated useful lives are different from previous estimates.

Leasehold inducement liability

Leasehold inducement liability resulted from leasehold improvements at the inception of a premise lease on the main Canadian location and is being amortized over the term of the lease.

Business combinations

The acquisition method of accounting is used to account for business combinations that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Contingent consideration is included in the cost of acquisition at fair value. Directly attributable transaction costs are expensed in the current period and reported within general and administrative expenses. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. The results of operations and cash flows of an acquired business are included in the Company's financial statements from the date of acquisition.

Goodwill

Goodwill results from business combinations and represents the excess of the consideration given over the fair value of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized.

Customer accounts

Customer accounts acquired separately are measured initially at cost. Customer accounts acquired in a business combination are recorded at fair value as at the date of acquisition. Following initial recognition, customer accounts are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is provided on a straight-line basis over the estimated useful lives of the acquired customer accounts currently ranging between five and ten years. The useful lives are reviewed annually and are adjusted if current estimated useful lives are different from previous estimates.

Impairment of non-current assets

The carrying values of the Company's non-financial assets are assessed for impairment when events and circumstances indicate that their carrying amounts may not be recoverable. Additionally, the carrying amount of goodwill is tested at least annually for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from the combination. Gains and losses calculated on the disposal of a business include the carrying value of goodwill relating to the business sold.

The Company performs its annual test for goodwill impairment at March 31. The Company currently has one CGU. The recoverable amount of the CGU is determined based on greater of fair market value less costs to sell and the present value of expected future cash flows.

Customer accounts are amortized over their useful lives and assessed for impairment whenever there is an indication that the carrying value may be impaired.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. Classification is re-assessed if the terms of the lease are changed.

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. Minimum

lease payments are apportioned between the finance charge and the outstanding 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.

Operating lease
Leases other than finance leases are classified as operating leases. Payments made under operating leases are recognized in the statements of operations and comprehensive income on a straight-line basis over the period of the lease.

Foreign currency
The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

The financial statements of each of the Company's subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. Functional currency is the currency of the primary economic environment in which the subsidiary operates.

Exchange rates published by the Bank of Canada were used to translate each subsidiary's financial statements into the consolidated financial statements. Assets and liabilities of subsidiaries with functional currencies other than Canadian dollars are translated at the period-end rates of exchange, and the results of their operations are translated at rates approximating the exchange rate at the transaction date. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity.

Earnings (loss) per share
Earnings (loss) per share is determined by dividing net earnings (loss) attributable to shareholders by the weighted average number of common shares outstanding during the reporting period, which amounted to 9,627,807 (2013 – 9,860,679) common shares. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all potentially dilutive shares, which include share options granted.

Share-based compensation
Share-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's shares, the expected lives of awards of share-based compensation, the fair value of the Company's shares and the risk-free interest rate. The estimated fair value of awards of share-based compensation are charged to expense as services are provided and the awards vest, with offsetting amounts recognized as contributed surplus.

Income taxes
Current income tax expense is based on the results of operations for the period as adjusted for items that are not taxable or not deductible. Current income tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method, providing for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

The effect of a change in enacted or substantively enacted income tax rates on deferred income tax assets and liabilities is recognized in profit or loss in the period that the change occurs unless the original entry was recorded to equity.

Treasury stock
The Company records the repurchase of its shares at the average cost, being total share capital cost divided by total shares outstanding at the time of purchase. The difference between the average cost and actual purchase price is adjusted to contributed surplus.

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit and loss.

Financial assets classified as fair value through profit and loss are measured at fair value with unrealized gains and losses recognized through comprehensive income. Cash and trust cash are classified as fair value through profit and loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost with gains or losses recognized through comprehensive income when realized or impaired. Trade receivables are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income except when realized or impaired. At March 31, 2014 the Company has not classified any financial assets as available for sale.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit and loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost with gains and losses recognized in comprehensive income when the liability is extinguished. Trade payables and accrued liabilities, and long-term debt are classified as other financial liabilities.

Financial liabilities classified as fair value through profit and loss are measured at fair value with unrealized gains and losses recognized through comprehensive income. At March 31, 2014, the Company has not classified any financial liabilities as fair value through profit and loss.

Transaction costs

Transaction costs associated with financial instruments at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount.

Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

Accounting standards and interpretations issued but not yet adopted

As at the date of these consolidated financial statements, the following standard has not been applied in these consolidated financial statements:

(i) IFRS 9 *Financial Instruments*; effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes. The new standard removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortized cost or fair value.

Management is currently assessing the impact of this new standard on the Company's accounting policies and financial statement presentation.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

The Company has adopted the following new accounting standards effective April 1, 2013. These changes were made in accordance with the applicable transitional provisions and had no impact on the financial statements.

(i) IFRS 10 *Consolidated Financial Statements*. IFRS 10 defines a single concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of a parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

(ii) IFRS 11 *Joint Arrangements*. IFRS 11 focuses on the rights and obligations of an arrangement rather than its legal form, as was previously the case. The standard distinguishes between joint operations, where the joint operator accounts for the assets, liabilities, revenues, and expenses relating to its involvement, and joint ventures, which must be accounted for using the equity method.

(iii) IFRS 12 *Disclosure of Interests in Other Entities*. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint operations, joint ventures, associates and unconsolidated structured entities.

(iv) IFRS 13 *Fair Value Measurement*. IFRS 13 is a new standard that applies to both financial and non-financial items measured at fair value. It defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. Previously, a variety of fair value techniques and disclosures were possible under the requirements of separate applicable IFRS.

4. FINANCIAL INSTRUMENTS

a) **Overview**

The Company’s activities expose it to a variety of financial risks that arise as a result of its operating and financing activities such as credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes this exposure.

b) **Fair value of financial instruments**

The Company’s financial instruments as at March 31, 2014 included cash, trade receivables, trade payables and accrued liabilities, and long-term debt. The carrying amounts for short-term financial assets and liabilities, which includes trade receivables and trade payables and accrued liabilities approximate fair values due to the immediate or short-term maturities of these financial instruments. Cash and trust cash are classified as fair value through profit and loss and therefore are recorded at fair value.

Management estimated the fair value of its long-term debt taking into account market rates of interest, the condition of any related collateral and the current conditions in credit markets applicable to the Company based on recent transactions. The estimated fair value of long-term debt approximates its carrying value.

For financial instruments measured at fair value, disclosure about the inputs to fair value measurements are required, including their classification within a fair value hierarchy that prioritizes the significance of inputs used in making fair value measurements.

Level 1 Fair Value Measurements – quoted prices in active markets for identical assets or liabilities;

Level 2 Fair Value Measurements – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 Fair Value Measurements – inputs for the assets or liabilities that are not based upon observable market data.

Cash and trust cash are based on Level 1 inputs of the fair value hierarchy.

c) **Financial risk management**

The Company’s financial instruments are exposed to certain financial risks, including credit risk, foreign currency risk, interest rate risk and liquidity risk.

Credit risk

The Company is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations, or if there is a concentration of transactions carried out with the same counterparty or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Company's financial instruments that are exposed to concentrations of credit risk relate primarily to cash and trade receivables from clients and insurance carriers. Cash is in place with major financial institutions. Concentrations of credit risk with respect to client and insurance carrier trade receivables are limited due to the large number of customers and insurance carriers. The Company has evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible.

As at March 31, 2014, the Company's maximum exposure to credit risk is through the following assets:

Trade receivables	$	1,162,656
Net credit risk	$	1,162,656

Foreign currency risk
The Company is exposed to the financial risk related to fluctuations of foreign exchange rates. The Company has U.S. dollar denominated indebtedness and is therefore exposed to cash flow risks associated with fluctuations in the relative value of the Canadian and U.S. dollar. A significant change in the currency exchange rate of the Canadian dollar relative to the U.S. dollar could have a material effect on the Company's results of operations, financial position and cash flows. The Company does not engage in hedging activities or use financial instruments to reduce its risk exposure.

At March 31, 2014, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars:

Cash	$	138,843
Trade receivables		56,813
Trade payables and accrued liabilities		(262,196)
Long-term debt		(712,919)
Net exposure	$	(779,459)

Based on the above net exposure at March 31, 2014, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in a decrease or increase of $ 77,945 in the Company's other comprehensive income (loss).

Interest rate risk
All of the Company's indebtedness bears interest at fixed rates and as a result the Company is not exposed to significant interest rate risk arising from long-term debt.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its short and long-term obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenues, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. The Company's ability to obtain funding from external sources may be restricted if the Company's financial performance and condition deteriorate. In addition, credit and capital markets are subject to inherent global risks that may negatively affect the Company's access and ability to fund its short-term and long-term debt requirements. The Company mitigates these risks by actively monitoring market conditions and diversifying its sources of funding and debt maturity.

The Company's trade payables are generally due within 60 days. The current portion of long-term debt is due within 12 months.

5. CAPITAL RISK MANAGEMENT

The Company considers the capital it manages to be the amounts it has in cash, debt (long-term and short-term borrowings) and equity attributable to owners of the Company.

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern
- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans
- optimize the cost of its capital at an acceptable level in light of current and future industry, market and economic risks and conditions
- utilize the long-term funding sources to manage its working capital and restructure debt to minimize the cost of its capital
- acquire assets and dispose of non-performing assets

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, repurchase shares, issue debt, acquire or dispose of assets. The Company requires capital to repay existing obligations. There can be no certainty of the Company's ability to refinance its existing obligations. In order to facilitate the management of the Company's capital, the Company prepares annual cash flow forecasts that are updated as necessary depending on various factors and general industry conditions. There were no changes in the Company's approach to capital management.

The declaration and payment of dividends and the amount thereof are at the discretion of the Board. In order to maintain and maximize growth, maintain sufficient liquidity to support its financial obligations and optimize the cost of capital, the Company currently does not pay out dividends.

The Company is also subject to certain working capital covenants on an ongoing basis, and compliance with these covenants has the effect of restricting the availability of cash from the Canadian operations to the other operations of the Company.

See Notes 10, 11 and 12 for description of changes in capital for the years ended March 31, 2014 and 2013.

6. DISCONTINUED OPERATIONS

On March 3, 2014 the Company sold the property and equipment and customer accounts of its U.S. operations for net sales proceeds of $ 3,204,664 including transaction costs of $ 178,396. The Company realized a loss from discontinued operations of $ 2,804,844.

U.S. Operations

Balance sheet as at		**March 31, 2013**
Property and equipment	$	50,163
Goodwill		5,073,931
Total non-current assets	$	5,124,094

On May 8, 2012, the Company sold the property and equipment, customer accounts and accounts receivables of its Northern California operations for net sales proceeds of $ 869,272 including transaction costs of $ 208,848. The Company realized a gain from discontinued operations of $ 167,973.

Northern California operations

Balance sheet as at		**March 31, 2012**
Accounts receivable	$	255,156
Total current assets	$	255,156
Property and equipment	$	21,917
Customer accounts		248,264
Total non-current assets	$	270,181
Total Assets	$	525,337

The gain (loss) from discontinued operations for the years ended March 31, 2014 and 2013 is summarized below:

	Year ended March 31, 2014			**Year ended March 31, 2013**		
	Virginia Agency	**Northern California Agency**	**Total**	**Virginia Agency**	**Northern California Agency**	**Total**
Revenue from discontinued operations	$ 2,672,608	$ 2,662	$ 2,675,270	$ 3,160,830	$ 131,825	$ 3,292,655
Expenses of discontinued operations	(5,036,350)	(1,834)	(5,038,184)	(3,152,784)	(322,842)	(3,475,626)
Earnings (loss) from discontinued operations	(2,363,742)	828	(2,362,914)	8,046	(191,017)	(182,971)
Gain (loss) on sale of discontinued operations	(441,930)	-	(441,930)	-	358,990	358,990
Gain (loss) from discontinued operations	$(2,805,672)	$ 828	$(2,804,844)	$ 8,046	$ 167,973	$ 176,019

7. PROPERTY AND EQUIPMENT

Description	Computer equipment	Computer equipment under finance lease	Furniture and equipment	Furniture and equipment under finance lease	Leasehold improvements	Total
Cost						
Balance at April 1, 2012	$ 290,890	$ 44,460	$ 239,294	$ 37,012	$ 405,358	$ 1,017,014
Additions	14,146	31,452	-	7,312	-	52,910
Derecognized on disposal of a subsidiary	(41,416)	-	(33,071)	-	(13,095)	(87,582)
Reclassified from assets under finance lease	35,065	(35,065)	23,224	(23,224)	-	-
Effects of foreign currency exchange differences	1,465	156	1,005	400	470	3,496
Balance at March 31, 2013	300,150	41,003	230,452	21,500	392,733	985,838
Additions	4,372	20,407	2,857	-	-	27,636
Dispositions	(32,938)	-	-	-	-	(32,938)
Derecognized on disposal of a subsidiary	(94,499)	(10,430)	(69,193)	(23,482)	(30,875)	(228,479)
Effects of foreign currency exchange differences	7,975	879	5,802	1,982	2,392	19,030
Balance at March 31, 2014	$ 185,060	$ 51,859	$ 169,918	-	$ 364,250	$ 771,087
Depreciation and impairment losses:						
Balance at April 1, 2012	$ 213,387	$ 24,266	$ 120,793	$ 13,707	$ 54,117	$ 426,270
Depreciation	26,547	6,399	24,147	2,728	52,036	111,857
Eliminated on disposal of a subsidiary	(31,016)	-	(22,113)	-	(13,095)	(66,224)
Reclassified from assets under finance lease	20,460	(20,460)	9,847	(9,847)	-	-
Effects of foreign currency exchange differences	1,480	86	815	275	470	3,126
Balance at March 31, 2013	230,858	10,291	133,489	6,863	93,528	475,029
Depreciation	21,542	12,216	19,732	2,817	52,036	108,343
Dispositions	(32,938)	-	-	-	-	(32,938)
Eliminated on disposal of a subsidiary	(81,042)	(7,281)	(53,567)	(10,273)	(30,875)	(183,038)
Effects of foreign currency exchange differences	6,315	574	4,337	593	2,391	14,210
Balance at March 31, 2014	$ 144,735	$ 15,800	$ 103,991	$ -	$ 117,080	$ 381,606
Net book value:						
At March 31, 2013	$ 69,292	$ 30,712	$ 96,963	$ 14,637	$ 299,205	$ 510,809
At March 31, 2014	$ 40,325	$ 36,059	$ 65,927	$ -	$ 247,170	$ 389,481

8. CUSTOMER ACCOUNTS

Cost	
Balance at April 1, 2012	$ 9,654,720
Additions	-
Dispositions	(1,038,424)
Effects of foreign currency exchange differences	623
Balance at March 31, 2013	8,616,919
Additions	339,105
Dispositions	-
Effects of foreign currency exchange differences	-
Balance at March 31, 2014	$ 8,956,024
Amortization and impairment losses:	
Balance at April 1, 2012	$ 7,381,763
Amortization	651,285
Dispositions	(790,299)
Effects of foreign currency exchange differences	762
Balance at March 31, 2013	7,243,511
Amortization	615,134
Dispositions	-
Effects of foreign currency exchange differences	-
Balance at March 31, 2014	$ 7,858,645
Net book value:	
At March 31, 2013	$ 1,373,408
At March 31, 2014	$ 1,097,379

9. GOODWILL

Cost	
Balance at April 1, 2012	$ 12,308,857
Additions	-
Dispositions	-
Effects of foreign currency exchange differences	82,434
Balance at March 31, 2013	12,391,291
Additions	-
Dispositions	(5,450,539)
Effects of foreign currency exchange differences	376,608
Balance at March 31, 2014	$ 7,317,360
Impairment losses	
Balance at April 1, 2012	$ -
Impairment losses	-
Derecognized on disposal of a subsidiary	-
Effects of foreign currency exchange differences	-
Balance at March 31, 2013	-
Impairment losses	2,122,939
Derecognized on disposal of a subsidiary	(2,122,939)
Effects of foreign currency exchange differences	-
Balance at March 31, 2014	$ -
Net book value:	
At March 31, 2013	$ 12,391,291
At March 31, 2014	$ 7,317,360

Impairment test of goodwill
The Company performed its annual test for goodwill impairment as at March 31, 2014 in accordance with its policy described in Note 2.

The test results indicate that the recoverable amount of the Canada CGU exceeded its carrying value and no impairment loss for goodwill has been recognized for the year ended March 31, 2014.

Carrying amount of goodwill at

Cash Generating Unit	March 31, 2014	March 31, 2013
Canada	$ 7,317,360	$ 7,317,360
US	-	5,073,931
Total Goodwill	$ 7,317,360	$ 12,391,291

The U.S. CGU was assessed for impairment because of market indicators in the third quarter. The Company concluded that the carrying value of the CGU exceeded the recoverable amount. As a result, the Company determined there was an impairment loss for goodwill. The Company recorded a total goodwill impairment charge of $2,122,939 which was recognized in the third quarter ended December 31, 2013.

The valuation techniques, significant assumptions and sensitivities applied in the goodwill impairment test are described below. The selection and application of valuation techniques and the determination of significant assumptions requires judgment.

Valuation technique
The recoverable amount of the CGU was based on the fair value less cost to sell using a market approach. The market approach assumes that companies operating in the same industry will share similar characteristics and that company

values will correlate to those characteristics. Therefore, a comparison of a CGU to similar companies whose financial information is publicly available may provide a reasonable basis to estimate the fair value. Under the market approach, fair value is calculated based on EBITDA multiples of benchmark companies comparable to the business in the CGU.

The EBITDA multiples were also compared to internally calculated WACC. The WACC is an estimate of the overall required rate of return on an investment for both debt and equity owners and serves as the basis for developing an appropriate discount rate. Determination of the WACC requires separate analysis of the cost of equity and debt, and considers a risk premium based on an assessment of risks related to the projected cash flows of the unit.

Assumptions
The WACC used by the Company for testing ranged from 8% to 11% (March 31, 2013 - 8% to 19%). Normalized EBITDA was based on past performance and management expectations for the Company. The key assumptions described may change as economic and market conditions change.

The fair value for the CGU was in excess of its carrying value. The Company is not aware of any reasonably possible change in any of the above key assumptions that would cause the carrying value of the Canada CGU to exceed its recoverable amount.

10. LONG-TERM DEBT

		March 31, 2014		March 31, 2013
Senior notes – 4.5% – 6.75%, due between June 2018 and July 2023 (a)	$	13,175,867	$	14,042,739
U.S. Note payable – 6.75% interest only, due February 2017 (b)		712,919		2,539,000
U.S. Note payable – 12% interest only, due Feb 2015 (b)		-		1,218,720
Obligations under capital leases, collateralized by the assets under lease		32,513		37,868
		13,921,299		17,838,327
Deferred financing costs		(128,649)		(154,039)
Accumulated amortization		74,321		61,866
		(54,328)		(92,173)
		13,866,971		17,746,154
Less: Current Portion		(1,310,953)		(1,309,448)
	$	12,556,018	$	16,436,706

a) The Company had a principal repayment holiday on one Senior note ($6,067,347) totaling $182,927 from December 1, 2013 to March 1, 2014. The Senior notes are secured by the Canadian assets only with a guarantee provided by the Company. See Note 21.

The Company is also subject to certain covenants on an ongoing basis, with failure to maintain compliance resulting in the loans becoming due on demand. The Company is in compliance with the covenants.

On August 1, 2013, the Company acquired customer accounts from an independent insurance broker in Calgary, Alberta for $176,707 which was funded through an expansion of the Company's existing acquisition facility (Senior note).

b) On March 18, 2013, the Company and the U.S. lender agreed to the terms for restructuring the U.S. $1,200,000 note payable whereby the existing note was cancelled and restructured for cash and a new note. Under the new promissory note, the Company made three principal payments of U.S. $25,000; on April 15, 2013, September 1, 2013 and January 2, 2014 . In addition, the Company paid a U.S. $25,000 fee to the lender related to this restructuring. In conjunction with the sale of the Virginia agency, the net proceeds of the sale transaction were used to pay down the U.S. notes payable in the amount of $3,305,416 (U.S. $2,980,000) on March 3, 2014. Interest only payments at 6.75% per annum continue on the unpaid balance until maturity of the loan.

The U.S. denominated debt is secured with a guarantee provided by the Company.

c) The Company is obligated to make the following principal payments in each of the next five fiscal years:

2015	$ 1,310,953
2016	1,382,867
2017	2,169,897
2018	1,542,566
2019	7,427,988
Thereafter	87,028
	$ 13,921,299

11. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value
Unlimited class B voting preferred shares without par value
Unlimited class C non-voting preferred shares without par value

Issued

All common shares issued are fully paid, carry one vote per share and carry a right to dividends.

b) Normal Course Issuer Bid

The Company receives regulatory approval from the TSX Venture Exchange (the "Exchange") to make a normal course issuer bid. Pursuant to the bid, the Company could purchase up to 10% of its common shares issued and outstanding at the time of the bid.

- 2014 - The bid commenced May 20, 2013 and will terminate on May 19, 2014 and pursuant to the bid, the Company has approval to purchase up to 969,168 of its common shares. The Company has repurchased 85,000 common shares under the bid.

- 2013 - The bid commenced May 19, 2012 and will terminate on May 18, 2013 and pursuant to the bid, the Company has approval to purchase up to 1,022,447 of its common shares. The Company has repurchased 220,000 common shares under the bid.

12. NON-CONTROLLING INTEREST IN CONSOLIDATED SUBSIDIARY

On June 10, 2008, April 23, 2009 and July 14, 2010, the Company closed equity financings under which a non-controlling interest, totaling 49% of a consolidated subsidiary of the Company which operates the Canadian operations, was sold. Under IFRS, transactions with non-controlling interests are treated as transactions with equity owners of the Company. Gains or losses on disposals to non-controlling interests are computed and recorded in equity.

Within the unanimous shareholder agreement, there is a contingent put option with the non-controlling shareholder. See Note 20 and 21.

Distributions from the Canadian operations to the parent and non-controlling shareholder are paid as and when approved by the Board of Directors of the Canadian subsidiary. The distributions are based on a formula in the unanimous shareholder agreement.

The non-controlling shareholder is the lender on the Senior notes. See Note 10.

13. SHARE-BASED COMPENSATION

The Company has an incentive share option plan, which provides for the award of share options to directors, officers, employees and consultants. A maximum of 1,601,395 common shares remain reserved under the plan. The terms and exercise prices of all share option awards are determined by the directors at the time of issue.

Changes in share options, outstanding and exercisable, during the years ended March 31, 2014 and 2013 are as follows:

	2014		2013	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Beginning of year	450,000	$ 0.36	450,000	$ 0.36
Expired	(450,000)	(0.36)	-	-
End of year	-	-	450,000	$ 0.36

The outstanding options expired unexercised on April 1, 2013.

14. RELATED PARTY DISCLOSURES

The Company enters into transactions with related parties from time to time in the normal course of business, as well as key management personnel.

During the year ended March 31, 2014, the Company incurred $ nil (2013 - $ 2,365) of consulting fees charged by a director.

Compensation of key management personnel

Key management personnel are comprised of all members of the Board of Directors and the Named Officers (as defined in Form 51-102F6 Statement of Executive compensation and disclosed in the Company's Management Proxy Circular in connection with its annual meeting of shareholders). The summary of compensation of key management personnel is as follows:

For the years ended March 31,	**2014**	**2013**
Salary and bonuses	$ 426,153	$ 506,153
Short-term employee benefits	15,769	15,132
Total compensation of key management personnel	$ 441,922	$ 521,285

15. INCOME TAXES

a) Tax provision

The provision for income tax differs from the result which would have been obtained by applying the statutory income tax rate of 25% to the Company's net income (loss) before income taxes. The difference results from the following items:

	2014	2013
Net income before income taxes	$ 1,869,368	$ 1,805,454
Expected income tax expense (recovery)	467,342	451,364
Permanent items	12,463	4,957
Effect of foreign income tax rate differences	-	(45,670)
Rate changes during the year	-	41,181
Unrecognized deferred tax asset (liability)	454,226	380,564
Other	(127,416)	(13,943)
Total tax expense	$ 806,615	$ 818,453

b) Recognized deferred tax liability

The recognized income tax effects of temporary differences that give rise to signficant deferred tax assets and liabilities are as follows:

	March 31, 2014	March 31, 2013	March 31, 2012
Customer accounts without tax basis	$ (58,735)	$ (76,807)	$ (103,029)
Goodwill	-	(1,114,599)	(969,810)
	(58,735)	(1,191,406)	(1,072,839)
Other assets	2,399	1,118,285	993,031
	$ (56,336)	$ (73,121)	$ (79,808)

c) Movements in the tax effect of the temporary differences during the year are as follows:

	April 1, 2012	Recognized in earnings (loss)	March 31, 2013	Recognized in earnings (loss)	March 31, 2014
Customer accounts without tax basis	$ (103,029)	$ 26,222	$ (76,807)	$ 18,072	$ (58,735)
Goodwill	(969,810)	(144,789)	(1,114,599)	1,114,599	-
Other assets	993,031	125,254	1,118,285	(1,115,886)	2,399
	$ (79,808)	$ 6,687	$ (73,121)	$ 16,785	$ (56,336)

d) Unrecognized deferred tax assets

The tax effect of the Company's deferred tax assets have not been recognized in respect of the following:

	March 31, 2014	March 31, 2013
Customer Accounts, with tax basis	$ -	$ 267,291
Other assets	3,362,013	1,974,357
Non capital losses	6,907,382	5,903,991
	$ 10,269,395	$ 8,145,639

As at March 31, 2014, the Company had accumulated Canadian non-capital losses of approximately $5,295,663 which commence expiring in 2031 and U.S. net operating losses of approximately U.S.$13,204,249 which commence expiring in 2023 and can be carried forward and charged against future taxable income, with some restrictions. The benefit of these losses and the other assets have not been reflected in the financial statements.

16. COMMITMENTS

The Company leases office premises under operating leases that expire at various dates during the 2015 through 2019 fiscal years. In addition, the Company has current obligations under certain advertising contracts. The Company's minimum lease and other payments under the agreements are as follows:

2015	$ 374,693
2016	243,612
2017	212,108
2018	201,607
2019	151,205
	$ 1,183,225

17. INTEREST AND FINANCING COSTS

Year ended March 31,	2014	2013
Interest on long-term debt	$ 845,449	$ 869,169
Amortization of deferred financing costs and loan discount	12,865	12,865
Interest on obligations under capital lease	5,362	3,181
	$ 863,676	$ 885,215

18. ECONOMIC DEPENDENCE

The majority of the Company's revenue are earned by selling general insurance to more than 40,000 customers. The Company also earns certain revenue from the insurance carriers in the form of contingency income and other incentives. Contingent income is based on the insurance carrier's profitability on insurance policies placed by the Company. The Company places its customer insurance policies with a variety of insurance carriers.

Included in revenue for the year ended March 31, 2014 are approximately 93% of revenue which arose from placing insurance policies and earning contingent income with the Company's three largest insurance carriers (each of the three largest insurance carriers percentage of revenue is as follows: 63%, 16% and 14%).

Included in revenue for the year ended March 31, 2013 are approximately 95% of revenue which arose from placing insurance policies and earning contingent income with the Company's three largest insurance carriers (each of the three largest insurance carriers percentage of revenue is as follows: 68%, 14% and 13%). See Note 21.

19. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended March 31, 2014 and 2013, the Company had non-cash transactions as follows:

		March 31, 2014		March 31, 2013
Financing activities				
Debt incurred for purchase of customer accounts	$	176,707	$	-
Capital lease for financing property and equipment purchase		20,407		38,764
		197,114		38,764
Investing activities				
Purchase of customer accounts for senior note payable		(176,707)		-
Property and equipment additions financed by capital lease		(20,407)		(38,764)
		(197,114)		(38,764)
	$	-	$	-
Additional Information:				
Interest paid	$	1,155,205	$	1,134,429
Income taxes paid	$	603,504	$	707,260

20. CONTINGENCIES

The Company may, from time to time, be involved in various claims, lawsuits, disputes with third parties, actions involving allegations of discrimination, or breach of contract incidental to the operations of its business. The Company is not currently involved in any such incidental litigation which it believes could have a materially adverse effect on its financial condition or results of operations.

As part of the unanimous shareholder agreement with the non-controlling interest, there is a contingent put option which if exercised will require the Company to purchase the non-controlling interest. The contingent put option can only be exercised, within 60 days written notice, if:

- There is an arm's length third party offer to purchase the consolidated subsidiary and the non-controlling shareholder wishes to accept, but the Company does not, then the non-controlling shareholder can exercise the put option for the price set out in the offer, or
- There is a change of control in the consolidated subsidiary or the Company, the non-controlling shareholder can exercise the put option for the higher of fair value formula in the unanimous shareholder agreement or the price set out in the change of control transaction.

There is uncertainty as to the occurrence, timing and amount of the cash outflow since the put option is contingent on a third party offer or purchase. See Note 12 and 21.

21. EVENT AFTER THE REPORTING PERIOD

On May 1, 2014 the Company completed the sale of all of its shares (51%) in the Canadian subsidiary ACI held by the Company, to an arm's length third party for cash consideration of approximately $13,000,000, before repayment of certain senior debt and adjustments. As the transaction contemplated the sale of all or substantially all of the Company's assets, shareholder approval was obtained on April 14, 2014 and TSX Venture Exchange approval on April 22, 2014. The Company paid certain liabilities in the amount of $7,942,971 from the sale proceeds including debt settlement of $6,101,475, legal expenses of $277,221 and severance and outstanding compensation of $1,564,275.

Subsequent to obtaining TSX Venture Exchange approval on April 29, 2014, the Company changed its name to ACL International Ltd. effective May 1, 2014 and transferred its common shares listing to the NEX Board of the TSX Venture Exchange effective May 2, 2014.

On May 26, 2014, the Board of Directors of the Company declared a capital distribution to the shareholders and set the record date for the distribution at June 9, 2014. The Company made an initial distribution of $0.28 per common share to its shareholders on June 18, 2014.

22. PROFORMA FINANCIAL INFORMATION (UNAUDITED)

The following table presents the unaudited proforma balance sheet as at March 31, 2014 as if the sale by the Company of all of the shares held by it in its Canadian subsidiary ACI (Note 21) had occurred as at March 31, 2014. The unaudited proforma information is not necessarily indicative of the combined results that would have occurred had the sale of the shares held in the Canadian subsidiary and settlement of the Senior note taken place at the beginning of the year presented, nor is it necessarily indicative of results that may occur in the future.

		As at March 31, 2014
Current assets	$	5,467,124
Total Assets	$	5,467,124
Current Liabilities	$	464,426
Long-term debt		712,919
Shareholders' Equity		4,289,779
Total Liabilities and Shareholders' Equity	$	5,467,124