CARMANAH TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2015 and 2014
(Amounts in thousands of U.S. dollars unless otherwise stated)
(Unaudited)

CARMANAH TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of U.S. dollars)
(Unaudited)

	Notes	March 31, 2015	December 31, 2014
ASSETS			
Cash		8,157	8,707
Restricted cash		45	45
Trade and other receivables		9,689	10,983
Inventories	3	5,840	5,556
Prepaid and other current assets		719	412
Total current assets		24,450	25,703
Equipment and leasehold improvements	4	675	660
Intangible assets	5	986	975
Goodwill		5,746	5,746
Deferred income tax asset		283	283
Total assets		**32,140**	**33,367**
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables		6,557	8,095
Provisions	7	922	1,165
Deferred revenue		777	294
Current liabilities		8,256	9,554
Equity			
Share capital		56,539	56,539
Equity reserve	8	3,428	3,292
Accumulated other comprehensive loss		(275)	(180)
Deficit		(35,808)	(35,838)
Total equity		23,884	23,813
Total liabilities and equity		**32,140**	**33,367**

Commitments and contingencies – note 6
Subsequent events – note 15

Approved and authorized for issue by the Board of Directors on May 13, 2015

"John Simmons"
John Simmons, Chief Executive Officer

"Michael Sonnenfeldt"
Michael Sonnenfeldt, Chair of the Board

CARMANAH TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Income and Loss and Total Comprehensive Income and Loss
(Expressed in thousands of U.S. dollars, except number of share and per share amounts)
(Unaudited)

		Three months ended March 31,	
	Notes	2015	2014
Revenues	10	11,314	9,119
Cost of sales	10	7,345	6,134
Gross profit	10	3,969	2,985
Operating expenditures			
Sales and marketing	9	1,282	993
Research and development	9	450	304
General and administrative	9	1,277	1,167
		3,009	2,464
Other inventory write downs	9	310	-
Restructuring expenses	9,12	74	-
Total operating expenditures		3,393	2,464
Operating Income		576	521
Other expenses			
Gain on disposal of assets		(38)	-
Other expenses	14	(65)	(275)
Foreign exchange loss		(443)	(170)
		(546)	(445)
Income before taxes		30	76
Income tax recovery		-	1
Net income attributable to shareholders		30	77
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to net income:			
Foreign currency translation adjustments		(95)	(26)
Total comprehensive (loss)/income		(65)	51
Net (loss)/income per share			
Basic and diluted		0.00	0.00
Weighted average number of shares outstanding:			
Basic		16,977,000	10,061,201
Diluted		17,262,877	10,061,201

CARMANAH TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in thousands of U.S. dollars, except number of share and per share amounts)
(Unaudited)

	Notes	Share capital		Equity reserve	Subtotal	Accumulated other comprehensive loss	Deficit	Total equity
		# of shares	Amount					
		('000)						
Balance, January 1, 2014		*10,061*	42,870	2,966	45,836	(76)	(36,832)	8,928
Net income		-	-	-	-	-	77	77
Share-based payments		-	-	17	17	-	-	17
Foreign currency translation adjustments		-	-	-	-	(26)	-	(26)
Balance, March 31, 2014		*10,061*	42,870	2,983	45,853	(102)	(36,755)	8,996
Net income		-	-	-	-	-	917	917
Share-based payments		-	-	309	309	-	-	309
Shares issued in private placement, net of issuance costs of $40		3,130	6,571	-	6,571	-	-	6,571
Sol acquisition		3,786	7,098		7,098			7,098
Foreign currency translation adjustments		-	-	-	-	(78)	-	(78)
Balance, December 31, 2014		*16,977*	56,539	3,292	59,831	(180)	(35,838)	23,813
Net income		-	-	-	-	-	30	30
Share-based payments	8	-	-	136	136	-	-	136
Foreign currency translation adjustments		-	-	-	-	(95)	-	(95)
Balance, March 31, 2015		*16,977*	56,539	3,428	59,967	(275)	(35,808)	23,884

CARMANAH TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
(Unaudited)

		Three months ended March 31,	
	Notes	2015	2014
OPERATING ACTIVITIES			
Net income		30	77
Add back (deduct) items not involving cash:			
Amortization	4,5	148	89
Loss on disposal of assets		38	-
Share-based payments	8	136	17
Unrealized foreign exchange loss/(gain)		227	(104)
Changes in working capital and other items:			
Trade and other receivables		1,294	(801)
Inventories		(284)	852
Prepaids and other current assets		(307)	(181)
Trade and other payables		(1,495)	148
Provisions		(286)	-
Deferred revenue		483	(92)
Restricted cash		-	15
Net cash (used)/provided by operating activities		(16)	20
INVESTING ACTIVITIES			
Proceeds from disposal of assets		14	-
Purchase of equipment and leasehold improvements	4	(118)	(7)
Purchase of intangible assets	5	(151)	(187)
Net cash used in investing activities		(255)	(194)
Foreign exchange effect on cash		(279)	78
Decrease in cash		(550)	(96)
Cash at beginning of period		8,707	5,197
Cash at end of period		8,157	5,101

1. SUMMARY OF BUSINESS AND BASIS OF PREPARATION

1.1. General Business Description

Carmanah Technologies Corporation (the "Company" or "Carmanah") was incorporated under the provisions of the Business Corporations Act (Alberta) on March 26, 1996 and was continued under the provisions of the Business Corporations Act (British Columbia) on August 24, 2009. The Company is in the business of developing and distributing renewable and energy-efficient technologies, including solar-power LED lighting, and solar powered systems and equipment.

Carmanah is a publicly-listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange ("TSX"). The Company's head office is located at 250 Bay Street, Victoria, British Columbia, Canada, V9A 3K5. The Company's registered and records office is located at Borden Ladner Gervais LLP, 1200 Waterfront Centre, 200 Burrard Street, P.O. Box 48600, Vancouver, British Columbia V7X 1T2.

1.2. Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with *IAS 34 – Interim financial reporting* (International Account Standard) which is in accordance with International Financial Reporting Standards ("IFRS"). They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2014. These condensed consolidated interim financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial assets and financial liabilities which are measured at fair value.

There have been no significant changes to the Company's accounting policies from those disclosed in the consolidated financial statements for the years ended December 31, 2014 and 2013. There have also been no significant changes in judgements or estimates from those disclosed in the consolidated financial statements for the years ended December 31, 2014 and 2013.

2. NEW ACCOUNTING STANDARDS

2.1. Future Accounting standards

Certain pronouncements have been issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that will become effective in future accounting periods. The following is a summary of significant standards that may have an impact on the Company's future financial statements.

- IFRS 9, Financial Instruments ("IFRS 9") – replaces IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 simplifies the classification and measurement requirements for financial instruments, which replaces the multiple classification and measurement models in IAS 39. It is anticipated that these changes would be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.
- IFRS 15, Revenue from Contracts with Customers ("IFRS15"). IFRS 15 clarifies the principles for recognizing revenue and cash flows arising from contracts with customers. It is anticipated this changes will be effective for annual periods beginning on or after January 1, 2017, although this was tentatively pushed back to January 1, 2018 at the IASB's meeting on April 28, 2015.

The Company is assessing the impact that these standards will have on the Company's consolidated financial statements.

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

3. INVENTORIES

	March 31, 2015	December 31, 2014
Finished goods	4,912	4,628
Raw materials	2,462	2,383
Provision for obsolescence	(1,534)	(1,455)
Net inventories	5,840	5,556

For the three months ended March 31, 2015, inventory recognized as an expense amounted to $7.0 million (2014 - $6.0 million). Included in the above amounts were inventory write downs of $0.4 million (2014 – $0.1 million). There were no reversals of previously recorded inventory write downs. As at March 31, 2015, the Company anticipates the net inventory will be realized within one year.

4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

The Company's equipment and leasehold improvements are broken down as follows:

	Computer hardware	Leasehold improvements	Office equipment	Production equipment	Research and tradeshow equipment	Total
Cost						
Balance January 1, 2014	514	599	79	952	469	2,613
Additions	163	3	15	29	3	213
Sol acquisition	1	-	25	15	-	41
Disposals	(78)	-	-	-	-	(78)
Balance December 31, 2014	**600**	**602**	**119**	**996**	**472**	**2,789**
Additions	32	36	12	34	4	118
Disposals	(210)	-	(38)	(549)	(55)	(852)
Balance at March 31, 2015	**422**	**638**	**93**	**481**	**421**	**2,055**
Accumulated amortization						
Balance January 1, 2014	**433**	**273**	**36**	**758**	**431**	**1,931**
Amortization for the year	62	120	11	55	28	276
Disposals	(78)	-	-	-	-	(78)
Balance December 31, 2014	**417**	**393**	**47**	**813**	**459**	**2,129**
Amortization for the period	21	31	2	12	2	68
Disposals	(200)	-	(18)	(545)	(54)	(817)
Balance March 31, 2015	**238**	**424**	**31**	**280**	**407**	**1,380**
Carrying amounts						
At December 31, 2014	183	209	72	183	13	660
At March 31, 2015	184	214	62	201	14	675

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

5. INTANGIBLE ASSETS

The Company's intangible assets are broken down as follows:

	Patents and trademarks	Software	License rights	Acquired intangibles	Total
Cost					
Balance January 1, 2014	**801**	**1,778**	**450**	**623**	**3,652**
Additions	32	654	-	-	686
Sol acquisition	-	-	-	300	300
Disposals	-	(4)	-	-	(4)
Balance December 31, 2014	**833**	**2,428**	**450**	**923**	**4,634**
Additions	2	149	-	-	151
Disposals	(43)	(83)	-	-	(126)
Balance March 31, 2015	**792**	**2,494**	**450**	**923**	**4,659**
Accumulated amortization					
Balance January 1, 2014	**671**	**1,759**	**450**	**623**	**3,503**
Amortization for the year	58	40	-	62	160
Impairment losses recognized	-	(4)	-	-	(4)
Balance December 31, 2014	**729**	**1,795**	**450**	**685**	**3,659**
Amortization for the period	13	35	-	32	80
Impairment losses recognized	(23)	(43)	-	-	(66)
Balance March 31, 2015	**719**	**1,787**	**450**	**717**	**3,673**
Carrying amounts					
At December 31, 2014	104	633	-	238	975
At March 31, 2015	73	703	-	206	986

6. COMMITMENTS AND CONTINGENCIES

6.1. Commitments

Carmanah has agreements with contract manufacturers to build and supply its manufactured products. Under these agreements, the Company will be liable for inventory and outstanding committed purchase orders. At present, the Company is dealing with two significant contract manufacturers, Flextronics and Creation Technologies Corporation. Under the terms of the contract manufacturing agreements, Carmanah is required to purchase excess raw inventory which arises in situations where the Company's demand forecasts for particular product is less than actual use or sales in a given period. At March 31, 2015, Flextronics held approximately $1.9 million (December 31, 2014 - $1.8 million) in inventory and $1.0 million (December 31, 2014 - $1.2 million) in outstanding committed purchase orders. Inventory owned and held at other contract manufacturers, which the Company may be liable for, is approximately $0.2 million in aggregate.

6.2. Contingent liabilities

On July 18, 2013, the Company was named in a United States District Court lawsuit filed by R.D. Jones, Stop Experts, Inc., and RRFB Global, Inc. (all of which are related parties – collectively the "Plaintiffs") alleging patent infringement with respect to a specific flash pattern used with respect to Carmanah's solar powered flashing beacons for the traffic safety market and other claims relating to advertising and business practices. Various actions have been taken in regards to this matter, including an unsuccessful application by the Plaintiff for a temporary restraining order and a motion for a preliminary injunction and a countersuit against the Plaintiffs with respects to a similar patent held by the Company. In early 2014, the Company's application to re-examine a number of aspects of the Plaintiffs patent was accepted by the U.S. patent office. The U.S patent office review of the Plaintiffs patent resulted in many of the aspects of the patents being rejected. The Plaintiff has appealed this judgment. Pending that review the court proceedings have been stayed. The outcome of this case is not certain and the Company intends to continue to defend itself and file additional responses to the Court as required to do so. As the outcome of these matters is not currently determinable, no provision has been made at March 31, 2015. The Company has been pursuing its insurance company for coverage of associated defense costs.

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

In early March 2015, the Company filed a civil lawsuit in the Supreme Court of British Columbia against Royal & Sun Alliance Insurance Company of Canada ("RSA") and Integro (Canada) Ltd. ("Integro") operating as Integro Insurance Brokers. The lawsuit has been filed in an effort to obtain coverage under one or more of the Company's insurance policies with respects to the above lawsuit. The decision to file a lawsuit against RSA and Integro was made after negotiations with RSA failed to produce an acceptable settlement for repayment of the costs incurred by the Company. The lawsuit seeks to recover legal expenses and damages.

6.3. Credit facilities

In early 2015, the Company signed a new credit facility (the "Facility") with the Canadian Imperial Bank of Commerce ("CIBC"). The multifaceted Facility provides credit up to $24.5 million through (1) a $10 million 364-Day Revolving Credit, a $10 million term acquisition credit, $3.75 million credit of Letters of Credit, and $0.75 million for trading room and other liabilities. The Company's ability to draw on the 364-Day revolving credit, the credit for the letters of credit, and credit for trading room contingent liabilities is subject to certain covenants. Access to the term acquisition credit facility will require CIBC's review and approval of the specific acquisition transaction. At March 31, 2015 no amounts were drawn on the Facility.

7. PROVISIONS

	March 31, 2015	December 31, 2014
Warranty provisions	824	952
Provision relating to Spot Devices Inc. acquisition	55	110
Provision relating to Sol, Inc acquisition (note 11)	43	103
	922	1,165

8. SHARE-BASED PAYMENTS

The total compensation expense associated with share-based payment plans are outlined in the table below:

Three months ended March 31,	2015	2014
Stock options	136	17
Share units	-	-
Total compensation expense	136	17

Currently, all outstanding awards issued under these plans are equity settled, although the plans do allow for cash settlement if elected by the Board of Directors.

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

The following table provides a reconciliation of the maximum shares issuable under stock-based compensation plans as at March 31, 2015:

Available shares (10% of outstanding shares at March 31, 2015)	1,697,700
Less:	
Stock options outstanding at March 31, 2015	(1,325,948)
Number of shares issuable under stock-based compensation plans	371,752

Subsequent to March 31, 2015, the Company granted a further 200,000 stock options as detailed in note 15.

The details on how these compensation costs were calculated are outlined in the respective sections below.

8.1. Stock options

The following is a reconciliation of stock options outstanding between January 1, 2014 through March 31, 2015. The weighted average exercise price is stated in Canadian dollars.

	Number of options	Weighted average exercise price
Balance, January 1, 2014	411,400	$2.10
Granted	-	-
Forfeited	(34,200)	$4.60
Balance, March 31, 2014	377,200	$1.87
Granted	1,021,046	$2.56
Forfeited	(62,549)	$2.66
Balance, December 31, 2014	1,335,697	$2.36
Granted	-	-
Forfeited	(9,749)	$2.52
Balance, March 31, 2015	1,325,948	$2.36

The following table summarizes the stock options outstanding and exercisable at March 31, 2015 and December 31, 2014. The weighted average exercise price is stated in Canadian dollars:

	Options outstanding			Options exercisable		
Range (exercise price)	Number	WA[1] remaining life[2]	WA[1] exercise price	Number	WA[1] remaining life[2]	WA[1] exercise price
At December 31, 2014						
$1.45 to $1.45	300,000	5.9	$1.45	75,000	5.9	$1.45
$1.46 to $2.50	682,950	9.3	$2.50	-	-	-
$2.51 to $2.90	335,947	8.9	$2.73	25,537	3.2	$2.90
$2.91 to $5.30	16,800	1.0	$5.30	16,800	1.0	$5.30
	1,335,697	8.3	$2.36	117,337	4.6	$2.32
At March 31, 2015						
$1.45 to $1.45	300,000	5.6	$1.45	75,000	5.6	$1.45
$1.46 to $2.50	673,700	9.0	$2.50	-	-	-
$2.51 to $2.90	335,448	8.7	$2.73	33,714	3.0	$2.90
$2.91 to $5.30	16,800	0.7	$5.30	16,800	0.7	$5.30
	1,325,948	8.1	$2.36	125,514	4.3	$2.35

1 - WA – weighted average / 2 – Life in years

There were no options granted during the period ended March 31, 2015 or 2014.

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

9. OPERATING EXPENDITURES

The components of operating expenditures by nature are outlined below:

	Three months ended March31,	
	2015	2014
Salaries, commissions and other direct compensation	1,847	1,537
Other charges	305	16
Telecom and IT expenses	236	126
Marketing, advertising and other related expenses	166	80
Professional fees, insurance and public company costs	160	396
Travel and related expenses	154	88
Share-based payments	136	17
Development expenses	130	16
Occupancy costs	130	87
Amortization	105	76
Bank charges and bad debts	24	25
Total operating expenditures	3,393	2,464

The amortization expense as noted in the statement of cash flows includes amortization classified under cost of sales.

Other charges include $0.3 million of inventory write offs associated with the integration of Sol and closure of their manufacturing facilities. Normally it is the Company's policy to classify inventory write downs within cost of sales. However, a departure from this practice was deemed appropriate by management to ensure this adjustment was sufficiently highlighted due to the unusual nature of the charge.

10. SEGMENTED INFORMATION

The Company's reportable segments are broken into "Signals", "Illumination" and "Power". The following table provides an overview of these segments and underlying verticals.

Reporting Segment and Underlying Products/Verticals	Products offered/Markets served
Signals	
Traffic	Solar LED flashing beacons for various roadway applications, mainly focused on the North American market.
Marine	A complete range of marine lighting solutions sold worldwide, including a variety of products manufactured by Sabik under a partnership arrangement.
Aviation	LED aviation lighting sold worldwide - the Company offers total airfield solutions, from approach lightings to apron lighting, and both solar to hybrid power systems.
Obstruction	LED obstruction lighting sold worldwide - the Company offers self-contained obstruction marking lights which provide a range of solutions for marking towers and other obstruction to aerial and ground navigation.
Illumination	
Outdoor Lighting	LED lighting systems for off-grid lighting applications, including street, parking lot, park, and pathway applications. Products are sold worldwide using a variety of distribution models
Power	
Off-Grid	Mobile power solutions for the North American market sold under the Go Power! brand. Built for the hard demands of RV, utility, and fleet vehicles, as well as marine applications, Go Power!'s complete line of solar chargers, inverters,

	regulators and power accessories deliver electricity where grid-power is inaccessible or unavailable.
On-Grid	The design, procurement and construction of grid-connected solar power systems in the Canadian industrial market. Previously referred to as Solar EPC Services.

Management evaluates each segment's performance based on gross margin which factors in directly attributable segment revenues, cost of goods sold, and gross margins. Segment profit represents profits without allocation of operating expenses as these costs are not included in the measures that the chief operating decision marker uses to evaluate and assess segment performance. Operating expenditures such as sales and marketing, research, engineering and development as well as general and administrative expenses, which cannot accurately be attributed between various segments, have not been allocated between segments. In addition, the segments share certain inventory and other assets, therefore the Company cannot disclose assets on a segmented basis.

	Signals	Illumination	Power	Total
For the period ended March 31, 2015				
Revenue	4,826	2,089	4,399	11,314
Gross margin	2,095	605	1,269	3,969
Gross margin %	43.4%	29.0%	28.8%	35.1%
Total operating expenses (including restructuring)				(3,393)
Other expenses				(546)
Income before taxes				30
For the period ended March 31, 2014				
Revenue	4,058	1,773	3,288	9,119
Gross margin	1,566	497	922	2,985
Gross margin %	38.6%	28.0%	28.0%	32.7%
Total operating expenses				(2,464)
Other expenses				(445)
Income before taxes				76

Geographic

For geographical reporting, revenues are attributed to the geographic location in which the customer is located:

	Three months ended March 31,	
	2015	2014
North America	9,997	6,568
Europe	470	1,796
South America	177	491
Middle East and Africa	518	132
Asia Pacific	152	132
Total revenues	11,314	9,119

As at March 31, 2015, substantially all of the assets related to the Company's operations were located in Canada except for inventory on hand in the United States of $3.3 million (December 31, 2014 - $2.6 million).

11. ACQUISITIONS

On July 2, 2014, the Company completed the acquisition of Sol, Inc. ("Sol"), a competitor in the Company's Illumination business segment. Sol is a manufacturer of solar powered outdoor lights and is based in Palm City, Florida. The primary driver behind the acquisition was to gain economies of scale in the solar outdoor lighting market.

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

The Company acquired 100% of the outstanding shares of Sol and an outstanding note receivable due from Sol which was beneficially owned by Mr. Sonnenfeldt. Consideration paid upon close included the issuance of 3,785,860 common shares of Carmanah issued from treasury, and a $0.06 million cash payment to certain minority shareholders of Sol. The aggregate value of the shares issued on July 2, 2014 amounted to approximately $7.1 million based on the closing share price of $2.00 CAD (post consolidation) and a US/CAD exchange rate of 0.938. The agreement also provides an earn-out of 3% of certain revenues received by Carmanah and is available to electing former shareholders of Sol. This earn-out applies to specifically identified prospective sales opportunities brought forth by Sol and is subject to various conditions. Most significantly, each of these projects must result in revenues of at least $5.0 million and the sales order must be received and accepted by Carmanah prior to December 31, 2015, although cash and delivery can occur after that date. Mr. Sonnenfeldt and certain of his affiliates have elected to waive their right to receive all earn-out payments should they accrue. Accordingly any earn-out payment will be payable to the remaining Sol shareholders on a proportional basis. As of the date of these financial statements, no amount has been allocated to the consideration associated with this earn-out due to substantial uncertainty surrounding the Company's ability to secure the underlying contracts.

The acquisition was determined to be a business combination and was accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations. The total consideration for the acquisition and the final purchase price allocation in accordance with *IFRS 3 – Business Combinations* is as follows:

Consideration	
Shares issued	7,098
Cash	56
Contingent consideration based on certain future revenues	-
Total consideration	**7,154**
Identifiable assets acquired and liabilities assumed	
Cash	729
Receivables	825
Inventory	1,291
Other assets	220
Equipment	41
Deferred income taxes	206
Indemnification asset	40
Trade and other payables	(1,515)
Provisions	(494)
Deferred revenue	(235)
Intangibles	300
Goodwill	5,746
Total	**7,154**

The goodwill recognized primarily reflects the potential incremental cash flows management expects to generate through efficiencies obtain through combined operation and growth in sales to existing and new customers through cross selling opportunities. The goodwill is not tax deductible.

12. RESTRUCTURING CHARGES

Sol restructuring

With the acquisition of Sol, as described in note 11, a restructuring plan was developed in the latter half of 2014 to complete the integration of the two companies. Under this plan, the company will eliminate Sol's administrative, back office, and manufacturing functions and will close its manufacturing facility. The following table summarizes the costs incurred and balances outstanding with respects to restructuring.

(Expressed in thousands of U.S. dollars, except number of share and per share amounts)

	Severance and related benefits
Balance at January 1, 2014	-
Charges	304
Cash payments	(141)
Balance at December 31, 2014	163
Charges	74
Cash payments	(168)
Balance at March 31, 2015	69

A total of 15 employees are to be terminated under this plan, 6 of which occurred prior or on December 31, 2014, another 7 terminated during the first quarter of 2015, and a further 2 which should occur during the second quarter of 2015. The additional charge in 2015 relates to costs associated with terminating long-term IT contracts and health benefits associated with terminated employees.

13. FINANCIAL INSTRUMENTS

Classification and carrying value

The following table summarizes information regarding the classification and carrying values of the Company's financial instruments:

	March 31, 2015	December 31, 2014
Loans and receivables		
Cash and restricted cash	8,202	8,752
Trade and other receivables	9,689	10,983
Other financial liabilities		
Trade and other payables	6,557	8,095

Fair value

The following fair value measurement hierarchy is used for financial instruments that are measured in the statement of financial position at fair value:

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

The carrying value of cash and restricted cash, trade and other receivables, and trade and other payables approximates their fair value due to the relatively short-term maturity of these financial instruments.

The Company does not have any financial instruments, other than those listed above, reported at fair value at March 31, 2015 or December 31, 2014.

14. OTHER EXPENSES

Other expenses relate to foreign exchange, merger and acquisition activities, and include legal, due diligence costs, and other related expenditures.

15. SUBSEQUENT EVENTS

15.1. Share Offering

On April 7, 2015, the Company announced a plan to raise up to $32.0 million (CAD) through a “bought deal” financing (the “Offering”). The financing is backed by a syndicate of underwriters led by Cormark Securities Inc. and including Canaccord Genuity Corp., GMP Securities LP and Salman Partners Inc. (collectively, the Underwriters”) who have agreed to buy and sell to the public 5,650,000 common shares (“Common Shares”) of the Company at a price of $5.00 (CAD) per Common Share. The Underwriters also had an option, exercisable in whole or in part at any time up to 15 days after the closing of the Offering, to purchase up to an additional 750,000 Common Shares of the Company at the same price. The main part of the Offering closed on April 28, 2015 with 5,650,000 shares issued from treasury. On May 1, 2015, the Underwriters exercised their option to acquire the additional 750,000 shares. Proceeds from this offering will largely be used for future mergers and acquisitions. See the short form prospectus, filed on April 23, 2015 for further details.

As a part of the Offering, the Company also issued a total of 332,750 broker warrants (the “Warrants”) which allow the holder to acquire one additional Common Share of the Company at a price of $5.00 (CAD) per share. These Warrants expire after one year. Although the Company has not yet valued these Warrants from an accounting perspective, it has been determined that they will give rise to a derivative which will be recorded as a liability on the Company’s Consolidated Statement of Financial Position with changes in fair value from period to period recorded as a non-cash gain or loss in the Consolidated Statement of Income and Loss. The reason for this accounting treatment is that the Warrants are denominated in Canadian dollars, while the function currency of the Company is the US dollar. As a result of this difference in currencies, the proceeds that may be received by the Company are not fixed and will vary based on foreign exchange rates. Although the Company will record a liability for these Warrants, there are no circumstances in which the Company would be required to pay any cash upon exercise or expiry.

15.2. Stock option grants

On April 16, 2015, the Board of Directors approved a grant of 200,000 Stock Options made under the Company’s 2011 Incentive Award Plan. The Stock Options were granted to the Company’s newly appointed Chief Operating Officer and Chief Financial Officer, have an exercise price of $5.76 and a vesting period of 4 years.