Management's Statement of Responsibility

Management is responsible for the accompanying consolidated financial statements and all other information contained in this Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards consistently applied, using management's best estimates and judgements, where appropriate. Financial information included elsewhere in this report is consistent with the consolidated financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

KPMG LLP, Chartered Professional Accountants, appointed by the shareholders, have audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee reviews the financial content of the Annual Report and meets regularly with management and KPMG LLP to discuss internal controls, accounting and auditing and financial matters. The Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements.

S Balic

Sandra Balic, CPA, CA
Vice President, Finance and
Chief Financial Officer

Kenneth M. Dedeluk
President and Chief Executive Officer

Calgary, Canada
May 23, 2018

Independent Auditors' Report

To the Shareholders of Computer Modelling Group Ltd.

We have audited the accompanying consolidated financial statements of Computer Modelling Group Ltd., which comprise the consolidated statements of financial position as at March 31, 2018 and March 31, 2017, the consolidated statements of operations and comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Computer Modelling Group Ltd. as at March 31, 2018 and March 31, 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants
May 23, 2018
Calgary, Canada

Consolidated Statements of Financial Position

(thousands of Canadian $)	**March 31, 2018**	March 31, 2017
Assets		
Current assets:		
Cash	**63,719**	63,239
Trade and other receivables (note 14(a))	**16,272**	25,305
Prepaid expenses	**1,415**	1,236
Prepaid income taxes (note 11)	**-**	72
	81,406	89,852
Property and equipment (note 5)	**16,062**	16,873
Deferred tax asset (note 11)	**522**	-
Total assets	**97,990**	106,725
Liabilities and shareholders' equity		
Current liabilities:		
Trade payables and accrued liabilities (note 6)	**6,550**	9,331
Income taxes payable (note 11)	**126**	190
Deferred revenue	**33,360**	36,303
	40,036	45,824
Deferred revenue	**1,002**	1,929
Deferred rent liability (note 4)	**1,388**	-
Deferred tax liability (note 11)	**-**	254
Total liabilities	**42,426**	48,007
Shareholders' equity:		
Share capital (note 12)	**79,598**	71,859
Contributed surplus	**11,775**	11,433
Deficit	**(35,809)**	(24,574)
Total shareholders' equity	**55,564**	58,718
Total liabilities and shareholders' equity	**97,990**	106,725

Subsequent event (note 21)

See accompanying notes to consolidated financial statements.

Approved by the Board

John B. Zaozirny
Director

Robert F. M. Smith
Director

Consolidated Statements of Operations and Comprehensive Income

Years ended March 31, (thousands of Canadian $ except per share amounts)	**2018**	2017
Revenue (note 7)	**74,680**	75,097
Operating expenses		
Sales, marketing and professional services	**19,535**	19,353
Research and development (note 8)	**20,371**	16,423
General and administrative	**6,744**	6,000
	46,650	41,776
Operating profit	**28,030**	33,321
Finance income (note 10)	**905**	871
Finance costs (note 10)	**(54)**	-
Profit before income and other taxes	**28,881**	34,192
Income and other taxes (note 11)	**8,075**	9,923
Net and total comprehensive income	**20,806**	24,269
Earnings Per Share		
Basic (note 12(d))	**0.26**	0.31
Diluted (note 12(d))	**0.26**	0.31

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

(thousands of Canadian $)	Common Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, April 1, 2016	66,007	10,397	(17,146)	59,258
Total comprehensive income for the period	-	-	24,269	24,269
Dividends paid	-	-	(31,697)	(31,697)
Shares issued for cash on exercise of stock options (note 12(b))	4,925	-	-	4,925
Stock-based compensation:				
Current period expense (note 12(c))	-	1,963	-	1,963
Stock options exercised (note 12(b))	927	(927)	-	-
Balance, March 31, 2017	71,859	11,433	(24,574)	58,718
Balance, April 1, 2017	**71,859**	**11,433**	**(24,574)**	**58,718**
Total comprehensive income for the period	**-**	**-**	**20,806**	**20,806**
Dividends paid	**-**	**-**	**(32,041)**	**(32,041)**
Shares issued for cash on exercise of stock options (note 12(b))	**6,664**	**-**	**-**	**6,664**
Stock-based compensation:				
Current period expense (note 12(c))	**-**	**1,417**	**-**	**1,417**
Stock options exercised (note 12(b))	**1,075**	**(1,075)**	**-**	**-**
Balance, March 31, 2018	**79,598**	**11,775**	**(35,809)**	**55,564**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended March 31, (thousands of Canadian $)	**2018**	2017
Operating activities		
Net income	**20,806**	24,269
Adjustments for:		
Depreciation (note 5)	**1,997**	1,093
Income and other taxes (note 11)	**8,075**	9,923
Stock-based compensation	**2,087**	2,144
Interest income (note 10)	**(905)**	(551)
Deferred rent (note 4)	**1,388**	-
	33,448	36,878
Changes in non-cash working capital:		
Trade and other receivables	**9,033**	(4,233)
Trade payables and accrued liabilities	**35**	(1,585)
Prepaid expenses	**(179)**	(14)
Deferred revenue	**(3,870)**	4,603
Cash provided by operating activities	**38,467**	35,649
Interest received	**905**	574
Income taxes paid	**(8,842)**	(7,378)
Net cash provided by operating activities	**30,530**	28,845
Financing activities		
Proceeds from issue of common shares	**6,664**	4,925
Dividends paid	**(32,041)**	(31,697)
Net cash used in financing activities	**(25,377)**	(26,772)
Investing activities		
Property and equipment additions (note 5)	**(4,673)**	(11,514)
Decrease in cash	**480**	(9,441)
Cash, beginning of year	**63,239**	72,680
Cash, end of year	**63,719**	63,239

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended March 31, 2018 and 2017.

1. Reporting Entity:

Computer Modelling Group Ltd. ("CMG") is a company domiciled in Alberta, Canada and is incorporated pursuant to the Alberta Business Corporations Act, with its Common Shares listed on the Toronto Stock Exchange under the symbol "CMG". The address of CMG's registered office is 3710 33 Street N.W., Calgary, Alberta, Canada, T2L 2M1. The consolidated financial statements as at and for the year ended March 31, 2018 comprise CMG and its subsidiaries (together referred to as the "Company"). The Company is a computer software technology company engaged in the development and licensing of reservoir simulation software. The Company also provides professional services consisting of highly specialized support, consulting, training, and contract research activities.

2. Basis of Preparation:

(a) Statement of Compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements as at and for the year ended March 31, 2018 were authorized for issuance by the Board of Directors on May 23, 2018.

(b) Basis of Measurement:

The consolidated financial statements have been prepared on the historical cost basis, which is based on the fair value of the consideration at the time of the transaction.

(c) Functional and Presentation Currency:

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of CMG and its subsidiaries. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of Estimates, Judgments and Assumptions:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, costs and expenses for the period. Estimates and underlying assumptions are based on historical experience and other assumptions that are considered reasonable in the circumstances and are reviewed on an on-going basis. Actual results may differ from such estimates and it is possible that the differences could be material. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Key judgments in applying accounting policies

The key judgments made in applying accounting policies, apart from those involving estimations (note 2(d)(ii) below), that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Functional currency – the determination of the functional currency is a matter of determining the primary economic environment in which an entity operates. IAS 21 *Effects of Changes in Foreign Exchange Rates* sets out a number of factors to apply in making the determination of the functional currency. However, applying the factors in IAS 21 does not always result in a clear indication of functional currency. Where IAS 21 factors indicate differing functional currencies within a subsidiary, the Company uses judgment in the ultimate determination of that subsidiary's functional currency, including an assessment of the nature of the relationship between the Company and the subsidiary. Judgment was applied in the determination of the functional currency of certain of the Company's operating entities.

Research and development – assumptions are made in respect to the eligibility of certain research and development projects in the calculation of scientific research and experimental development ("SR&ED") investment tax credits which are netted against the research and development costs in the statement of operations and comprehensive income. SR&ED claims are subject to audits by relevant taxation authorities and the actual amount may change depending on the outcome of such audits (note 8).

Revenue recognition – certain software license agreements contain multiple-element arrangements as they may also include maintenance fees. Judgment is used in determining a fair value of each element of a contract. Professional services revenue earned from certain consulting contracts is recognized by the stage of completion of the transaction determined using the percentage-of-completion method. Judgment is used in determining the progress of each contract at period end. In assessing revenue recognition, judgment is also used in determining the ability to collect the corresponding account receivable (note 7).

(ii) Estimation uncertainty

The following are the key sources of estimation uncertainty and key assumptions concerning the future, that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year:

Stock-based compensation – assumptions and estimates are used in determining the inputs used in the Black-Scholes option pricing model, including assumptions regarding volatility, dividend yield, risk-free interest rates, forfeiture estimates and expected option lives (note 12(c)).

Property and equipment – estimates are used in determining useful economic lives of property and equipment for the purposes of calculating depreciation (note 5).

3. Significant Accounting Policies:

(a) Basis of Consolidation:

The consolidated financial statements include the accounts of CMG and its subsidiaries, all 100% owned (note 18). All inter-company transactions and balances have been eliminated on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(b) Revenue Recognition:

Revenue consists of software license fees and professional service fees.

Software License Revenue

Software license revenue is comprised of annuity/maintenance license fees charged for the use of the Company's software products, which is generally for a term of one year or less, and perpetual software licensing fees, whereby the customer purchases the-then-current version of the software and has the right to use that version in perpetuity.

Software license revenue is recognized when persuasive evidence of an arrangement exists, the product has been delivered, the fee is fixed or determinable, and collection of the resulting receivable is probable. In cases where collectability is not deemed probable, revenue is recognized upon receipt of cash, providing all other criteria have been met.

Annuity/maintenance revenue is recognized on a straight-line basis over the license period, which is generally one year or less. Revenue for licenses billed in advance is deferred and recognized in revenue over the relevant license period.

License fees for perpetual licenses are recognized fully in revenue when all recognition conditions are satisfied.

Software license agreements with multiple-element arrangements, such as those including license fees and maintenance fees, are recognized as separate units of accounting and are recognized as each element is earned based on the relative fair value of each element. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting.

Professional Services Revenue

Revenue from professional services, consisting of consulting, training and contract research activities, is recorded on a percentage-of-completion basis or based on the hours incurred, as appropriate in the circumstances. This approach is used when the outcome of the contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period.

(c) Cash:

Cash is comprised of interest-earning bank accounts.

(d) Property and Equipment:

Property and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is based on the cost of an asset and is recognized from the date the item is ready for use in the statement of operations and comprehensive income using the following annual rates and methods that are expected to amortize the cost of the property and equipment over their estimated useful lives:

Computer equipment	straight-line over 3 years
Furniture and equipment	straight-line over 5 years
Leasehold improvements	straight-line over the lease term

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the statement of operations and comprehensive income.

The estimated useful lives and depreciation methods are reviewed at each fiscal year-end and adjusted if appropriate.

(e) Research and Development Costs:

All costs of product research and development are expensed to operations as incurred as the impact of both technological changes and competition require the Company to continually enhance its products on an annual basis. Research and development costs are recorded net of related SR&ED investment tax credits.

(f) Joint Research and Development Costs:

Until January 1, 2017, the Company participated in a joint project engaged in product research and development and accordingly recorded its proportionate share of costs incurred as research and development costs within the statement of operations and comprehensive income.

(g) Finance Income and Finance Costs:

Finance income comprises interest income earned on the bank balances and is recognized as it accrues through the statement of operations and comprehensive income, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position. Foreign currency gains and losses are recognized in the period in which they occur.

(h) Foreign Currency Translation:

Transactions in foreign currencies are translated to Canadian dollars, the functional currency of the Company, at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the reporting date, while non-monetary assets and liabilities that are measured in terms of historical cost are translated using the exchange rates at the dates of the transactions.

Revenues and expenses are translated at the rate of exchange in effect on the transaction dates. Realized and unrealized foreign exchange gains and losses are included in the statement of operations and comprehensive income in the period in which they occur.

(i) Income Taxes:

Income taxes comprise current and deferred tax.

Current tax is the expected tax payable or receivable based on taxable profit for the period calculated using tax rates that have been enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable in respect of previous years. Taxable profit differs from profit as reported in the consolidated statement of operations and comprehensive income because of items that are taxable or deductible in other years and items that are never taxable and deductible. Prepaid income taxes and current income taxes payable are offset only when a legally enforceable right of offset exists and the prepaid income tax and tax payable arise in the same tax jurisdiction and relate to the same taxable entity.

Deferred taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes to the extent that it is probable that future taxable profits will be available against which the losses can be utilized. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled. Any change to the net deferred tax assets and liabilities is included in operations in the period it occurs. Deferred tax assets and liabilities are offset only when a legally enforceable right of offset exists and the deferred tax assets and liabilities arise in the same tax jurisdiction and relate to the same taxable entity.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(j) Investment Tax Credits:

The Company receives federal and provincial investment tax credits in Canada on qualified scientific research and experimental development expenditures incurred in each taxation year. Investment tax credits are recorded as a deduction against related expenses or capital items provided that reasonable assurance over collection of the tax credits exists.

(k) Earnings Per Share:

Basic earnings per share is computed by dividing the net income by the weighted average number of Common Shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted to Common Shares. In calculating the dilutive effect of stock options, it is assumed that proceeds received from the exercise of in-the-money stock options are used to purchase Common Shares at the average market price during the period.

(l) Stock-based Compensation:

The Company has a stock option plan, a share appreciation rights plan, a performance share unit and restricted share unit plan, and a deferred share unit plan, as described in note 12(c).

Stock options give the holder the right to purchase Common Shares and are accounted for as an equity-settled plan. The fair value of stock options is determined using the Black-Scholes valuation model as of the grant date and is expensed over the vesting period, with a corresponding increase in contributed surplus. At the end of each reporting period, the Company revises its estimate of the number of options that are expected to vest and recognizes the impact of any revision in the statement of operations and comprehensive income. When stock options are exercised, the Company records consideration received, together with amounts previously recognized in contributed surplus, as an increase in share capital.

Stock-based compensation awards that settle in cash or have the option to settle in cash or shares are accounted for as cash-settled plans. These awards are remeasured at fair value each reporting period. The expense is recognized over the vesting period, with a corresponding adjustment to liabilities, based on the Company’s estimate of the number of awards that will eventually vest. When awards are surrendered for cash, the cash settlement paid reduces the outstanding liability. When awards are exercised for Common Shares, the previously recognized liability is recorded to share capital.

Fair value measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company’s historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(m) Short-term Employee Benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(n) Financial Instruments:

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company classifies non-derivative financial assets into the following category:

Loans and receivables – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's cash and trade and other receivables are classified as loans and receivables. The Company's loans and receivables are recognized initially at fair value plus any directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest rate method less any provision for impairment. The Company's trade and other receivables are classified as current assets.

(ii) Non-derivative financial liabilities

Financial liabilities at amortized cost include trade payables and accrued liabilities. Such liabilities are initially recognized at fair value on the trade date at which the Company becomes a party to the contractual provisions of the instrument, represented by the amount required to be paid plus any directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within a year; otherwise, they are classified as non-current liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

(iii) Share Capital

Common Shares are classified as equity. Incremental costs directly attributable to the issue of Common Shares are recognized as a deduction from equity, net of any tax effects.

(o) Impairment:

(i) Receivables

Trade and other receivables are assessed for impairment at each reporting date at both a specific and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired, together with receivables that are not individually significant, are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in the statement of operations and comprehensive income and reflected in an allowance account against trade and other receivables. When a subsequent event (such as the repayment by a debtor) causes the amount of impairment loss to decrease, the decrease is reversed through the statement of operations and comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated, and any impairment loss required is recognized in the statement of operations and comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(p) Leases:

The Company's only lease commitments relate to its office premises, which are classified as operating leases since they do not transfer the risks and rewards of ownership to the Company. Payments made under operating leases are recognized in the statement of operations and comprehensive income on a straight-line basis over the term of the lease.

(q) Accounting Standards and Interpretations Not Yet Adopted:

The following is a summary of new standards, amendments to standards and interpretations that are issued, but not yet effective for the year ended March 31, 2018 and that may have an impact on the disclosures and financial position of the Company. The Company intends to adopt these standards, amendments to standards and interpretations, if applicable, when they become effective.

(i) IFRS 9 Financial Instruments

Replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets, amends the impairment model and includes a new general hedge accounting standard. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The Company intends to adopt IFRS 9 in its consolidated financial statements beginning April 1, 2018. The Company does not expect IFRS 9 to have a material impact on the consolidated financial statements because of the nature of the Company's operations and the types of financial assets that it holds.

(ii) IFRS 15 Revenue from Contracts with Customers

Replaces the guidance in IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services with a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018. IFRS 15 is available for early adoption. The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning April 1, 2018.

Based on our assessment, we conclude that the new standard will impact revenue recognition related to our annuity agreements, which include term-based software licenses bundled with maintenance. Under the current standards, the revenue attributable to these software licenses is recognized on a straight-line basis over the license period. The new standard requires that the portion of the agreement fee that relates to the software license should be recognized as revenue at the start of the license period, while the remainder should be recognized as maintenance revenue on a straight-line basis over the license period. However, since it is management's practice to honour customers' mid-contract requests to reduce product quantities or license term duration without a penalty and refund a pro-rata share of the agreement fee, annuity license revenue cannot be recognized upfront and will instead be recognized on a daily basis. Therefore, revenue recognition on the majority of our annuity agreements will not change.

The only exception to this practice are certain multi-year agreements with very specific termination clauses that significantly limit the customer's ability to reduce the license term, in which case the software license portion that relates to the non-cancellable period will be recognized upfront, at the start of that particular period of the license contract.

We do not expect IFRS 15 to have a substantial impact on revenue related to our maintenance agreements, perpetual licenses, and professional services.

(iii) IFRS 16 Leases

Replaces the guidance in IAS 17 Leases and requires the recognition of most leases on the balance sheet. IFRS 16 effectively removes the classification of leases as either finance or operating leases and treats all leases as finance leases for lessees with exemptions for short-term leases where the term is twelve months or less and for leases of low value items. IFRS 16 is effective January 1, 2019, with earlier adoption permitted. The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning April 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

4. Deferred Rent Liability:

The twenty-year lease agreement for the Company's headquarters, which commenced in fiscal 2018, contains a rent escalation clause. The Company recognizes rent expense on a straight-line basis over the lease term, in accordance with IFRS. The difference between rent expense and rent payable for the period is recorded as deferred rent within long-term liabilities in the consolidated statement of financial position.

5. Property and Equipment:

Cost (thousands of $)	**Computer Equipment**	**Furniture and Equipment**	**Leasehold Improvements**	**Total**
Balance at April 1, 2016	6,601	1,970	4,280	12,851
Additions	1,146	1,399	12,176	14,721
Disposals	(1,130)	(72)	(70)	(1,272)
Balance at March 31, 2017	6,617	3,297	16,386	26,300
Balance at April 1, 2017	6,617	3,297	16,386	26,300
Additions	871	919	-	1,790
Disposals	(1,204)	(1,141)	(2,764)	(5,109)
Balance at March 31, 2018	**6,284**	**3,075**	**13,622**	**22,981**

Accumulated Depreciation (thousands of $)				
Balance at April 1, 2016	(5,501)	(1,606)	(2,499)	(9,606)
Depreciation charge for the year	(805)	(133)	(155)	(1,093)
Disposals	1,130	72	70	1,272
Balance at March 31, 2017	(5,176)	(1,667)	(2,584)	(9,427)
Balance at April 1, 2017	(5,176)	(1,667)	(2,584)	(9,427)
Depreciation charge for the year	(755)	(547)	(695)	(1,997)
Disposals	878	1,141	2,486	4,505
Balance at March 31, 2018	**(5,053)**	**(1,073)**	**(793)**	**(6,919)**

Carrying Amounts				
At March 31, 2017	1,441	1,630	13,802	16,873
At March 31, 2018	**1,231**	**2,002**	**12,829**	**16,062**

6. Trade Payables and Accrued Liabilities:

(thousands of $)	**March 31, 2018**	March 31, 2017
Trade payables	**573**	604
Employee salaries, commissions and benefits payable	**3,841**	3,219
Accrued liabilities and other payables	**2,136**	5,508
	6,550	9,331

7. Revenue:

Years ended March 31, (thousands of $)	2018	2017
Software licenses	**68,843**	70,234
Professional services	**5,837**	4,863
	74,680	75,097

8. Research and Development Costs:

Years ended March 31, (thousands of $)	2018	2017
Research and development	**21,772**	17,842
Scientific research and experimental development ("SR&ED") investment tax credits	**(1,401)**	(1,419)
	20,371	16,423

9. Personnel Expenses:

Years ended March 31, (thousands of $)	2018	2017
Salaries, commissions and short-term employee benefits	**31,778**	30,961
Stock-based compensation (note 12(c))	**2,089**	2,144
	33,867	33,105

10. Finance Income and Finance Costs:

Years ended March 31, (thousands of $)	2018	2017
Interest income	**905**	551
Net foreign exchange gain	**-**	320
Finance income	**905**	871
Net foreign exchange loss	**(54)**	-
Finance costs	**(54)**	-

11. Income and Other Taxes:

The major components of income tax expense are as follows:

Years ended March 31, (thousands of $)	2018	2017
Current year income taxes	**8,649**	9,850
Adjustment for prior year	**(69)**	65
Current income taxes	**8,580**	9,915
Deferred tax (recovery) expense	**(775)**	54
Foreign withholding and other taxes	**270**	(46)

The provision for income and other taxes reported differs from the amount computed by applying the combined Canadian Federal and Provincial statutory rate to the profit before income and other taxes. The reasons for this difference and the related tax effects are as follows:

Years ended March 31, (thousands of $, unless otherwise stated)	**2018**	2017
Combined statutory tax rate	**27.00%**	27.00%
Expected income tax	**7,798**	9,232
Non-deductible costs	**433**	759
Effect of tax rates in foreign jurisdictions	**4**	(5)
Withholding taxes	**32**	(89)
Adjustment for prior year	**(199)**	65
Other	**7**	(39)
	8,075	9,923

The components of the Company's deferred tax asset (liability) are as follows:

(thousands of $)	**March 31, 2018**	March 31, 2017
SR&ED investment tax credits	**(270)**	(275)
Property and equipment	**187**	21
Deferred rent	**375**	-
Stock-based compensation liability	**230**	-
Net deferred tax asset (liability)	**522**	(254)

All movement in deferred tax assets and liabilities is recognized through net income of the respective period.

Prepaid income taxes and current income taxes payable have not been offset as the amounts relate to income taxes levied by different tax authorities on different taxable entities.

12. Share Capital:

(a) Authorized:

An unlimited number of Common Shares, an unlimited number of Non-Voting Shares, and an unlimited number of Preferred Shares, issuable in series.

(b) Issued:

(thousands of shares)	Common Shares
Balance, April 1, 2016	78,819
Issued for cash on exercise of stock options	663
Balance, March 31, 2017	79,482
Balance, April 1, 2017	**79,482**
Issued for cash on exercise of stock options	**733**
Balance, March 31, 2018	**80,215**

On May 20, 2015, the Board of Directors considered the merits of renewing the Company's shareholder rights plan on or before the third-year anniversary of shareholder approval of the plan and determined that it was in the best interest of the Company to continue to have a shareholder rights plan in place. Upon careful review, the Board of Directors agreed to approve an amended and restated rights plan (the "Amended and Restated Rights Plan") between the Company and Valiant Trust Company (which has since been succeeded by Computershare Trust Company of Canada as the Company's transfer agent and registrar). The Amended and Restated Rights Plan is similar in all respects to the existing shareholder rights plan, with the exception of certain minor amendments. The Amended and Restated Rights Plan was approved by the Company's shareholders on July 9, 2015.

(c) Stock-Based Compensation:

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense:

Years ended March 31, (thousands of $)	2018	2017
Equity-settled plans	**1,417**	1,963
Cash-settled plans	**672**	181
Total stock-based compensation expense	**2,089**	**2,144**

Liability Recognized for Stock-Based Compensation [1]

The following table summarizes liabilities for the Company's cash-settled plans, recorded within trade payables and accrued liabilities:

(thousands of $)	March 31, 2018	March 31, 2017
SARs	**375**	181
RSUs	**376**	-
DSUs	**99**	-
Total liability	**850**	**181**

(1) The intrinsic value of the vested awards at March 31, 2018 was $0.1 million.

The Company has several stock-based compensation plans, including a stock option plan, a share appreciation rights plan, a performance share unit and restricted share unit plan, and a deferred share unit plan.

The maximum number of Common Shares reserved for issuance under the Company's security-based compensation plans is limited to 10% of the issued and outstanding Common Shares. Based on this calculation, at March 31, 2018, the Company may reserve up to 8,021,000 Common Shares for issuance under its security-based compensation plans.

(i) Stock Option Plan

The Company adopted a rolling stock option plan as of July 13, 2005, which was reaffirmed by the Company's shareholders on July 13, 2017. Pursuant to the stock option plan, the maximum term of an option granted cannot exceed five years from the date of grant. The outstanding stock options vest as to 50% after the first year anniversary from date of grant and then vest as to 25% of the total options granted after each of the second and third year anniversary dates.

The following table outlines changes in stock options:

Years ended March 31, (thousands except per share amounts)	2018		2017	
	Number of Options (thousands)	**Weighted Average Exercise Price ($/share)**	Number of Options (thousands)	Weighted Average Exercise Price ($/share)
Outstanding at beginning of period	**7,204**	**11.69**	7,182	11.54
Granted	**910**	**9.33**	906	9.78
Exercised	**(733)**	**9.09**	(663)	7.43
Forfeited/expired	**(594)**	**10.27**	(221)	11.80
Outstanding at end of period	**6,787**	**11.78**	7,204	11.69
Options exercisable at end of period	**5,199**	**12.33**	5,224	11.82

The range of exercise prices of stock options outstanding and exercisable at March 31, 2018 is as follows:

	Outstanding			Exercisable	
Exercise Price ($/option)	Number of Options (thousands)	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price ($/option)	Number of Options (thousands)	Weighted Average Exercise Price ($/option)
8.96 to 9.55	891	4.4	9.33	2	8.96
9.56 to 9.78	833	3.4	9.78	422	9.78
9.79 to 12.26	1,984	0.4	12.19	1,978	12.19
12.27 to 12.85	1,166	2.4	12.32	887	12.32
12.86 to 14.97	1,913	1.4	13.04	1,910	13.04
	6,787	1.9	11.78	5,199	12.33

The fair value of stock options granted was estimated using the Black-Scholes option pricing model under the following assumptions:

Years ended March 31,	**2018**	2017
Fair value at grant date ($/option)	**1.46 to 1.47**	1.29 to 1.54
Share price at grant date ($/share)	**9.33**	8.96 to 10.16
Risk-free interest rate (%)	**1.26 to 1.37**	0.52 to 0.73
Estimated hold period prior to exercise (years)	**3 to 4**	3 to 4
Volatility in the price of common shares (%)	**29 to 31**	29 to 31
Dividend yield per common share (%)	**4.31**	4.03 to 4.65

(ii) Share Appreciation Rights Plan

The Company adopted a share appreciation rights plan ("SAR Plan") in November 2015. A share appreciation right ("SAR") entitles the holder to receive a cash payment equal to the difference between the stated exercise price and the market price of the Company's Common Shares on the date the SAR is exercised. The SARs are granted to executive officers and employees residing and working outside of Canada. The outstanding SARs vest as to 50% after the first year anniversary from date of grant and then vest as to 25% of the total awards granted after each of the second and third year anniversary dates. The SARs have a five-year life.

The following table outlines changes in SARs:

Years ended March 31, (thousands except per share amounts)	**2018**		2017	
	Number of SARs (thousands)	**Weighted Average Exercise Price ($/SAR)**	Number of SARs (thousands)	Weighted Average Exercise Price ($/SAR)
Outstanding at beginning of period	**222**	**9.78**	-	-
Granted	**365**	**9.33**	222	9.78
Exercised	**(4)**	**9.78**	-	-
Forfeited	**-**	**-**	-	-
Outstanding at end of period	**583**	**9.50**	222	9.78
SARs exercisable at end of period	**107**	**9.78**	-	-

(iii) Share Unit Plans

Restricted Share Units (RSUs)

RSUs are granted under the Performance Share Unit and Restricted Share Unit Plan, which was adopted in July 2017 and is open to all employees and contractors of the Company. RSUs vest annually over a three-year period. Upon vesting, an RSU can be exchanged for a Common Share of the Company or surrendered for cash. As such, the Company accounts for RSUs as cash-settled awards and recognizes a liability for potential cash settlements.

Deferred Share Units (DSUs)

The DSU Plan was adopted in May 2017 and is limited to non-employee members of the Board of Directors. DSUs vest immediately, but are redeemable for cash only after a director ceases Board membership.

The following table summarizes the activity related to the Company's share unit plans:

Years ended March 31, (thousands)		**2018**		2017
	RSUs	**DSUs**	RSUs	DSUs
Outstanding at beginning of period	**-**	**-**	-	-
Granted	**111**	**11**	-	-
Exercised	**-**	**-**	-	-
Forfeited	**(3)**	**-**	-	-
Outstanding at end of period	**108**	**11**	-	-

(d) Earnings Per Share:

The following table summarizes the earnings and weighted average number of Common Shares used in calculating basic and diluted earnings per share:

Year ended March 31, (thousands except per share amounts)			**2018**			2017
	Earnings ($)	**Weighted Average Shares Outstanding**	**Earnings Per Share ($/share)**	Earnings ($)	Weighted Average Shares Outstanding	Earnings Per Share ($/share)
Basic	**20,806**	**80,046**	**0.26**	24,269	79,171	0.31
Dilutive effect of stock options		**29**			117	
Diluted	**20,806**	**80,075**	**0.26**	24,269	79,288	0.31

During the year ended March 31, 2018, 112,000 awards (2017 – nil awards), were excluded from the computation of the weighted-average number of diluted shares outstanding because their effect was not dilutive.

13. Capital Management:

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to maximize the return to its shareholders. The capital structure of the Company consists of cash, credit facilities and shareholders' equity. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The Company's policy is to pay quarterly dividends based on the Company's overall financial performance and cash flow generation. Decisions on dividend payments are made on a quarterly basis by the Board of Directors. There can be no assurance as to the amount or payment of such dividends in the future.

The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

14. Financial Instruments and Risk Management:

(i) Classification of financial instruments

	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Other financial liabilities	Amortized cost

(ii) Fair values of financial instruments

The carrying values of cash, trade and other receivables, trade payables and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

Overview:

The Company is exposed to risks of varying degrees of significance and likelihood, which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below:

(a) Credit Risk:

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligation and arises principally from the Company's trade and other receivables. The amounts reported in the statements of financial position for trade receivables are net of allowances for bad debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

The Company's trade receivables consist primarily of balances from customers operating in the oil and gas industry, both domestically and internationally, as the Company sells its products and services in approximately 60 countries worldwide. Some of these countries have greater economic and political risk than experienced in North America, and as a result there may be greater risk associated with sales in those jurisdictions. The Company manages this risk by invoicing for the full license term in advance for the majority of software license sales and by invoicing as frequently as the contract allows for consulting and contract research services. In cases where collectability is not deemed probable, revenue is recognized upon receipt of cash, providing all other criteria have been met. Historically, the Company has not experienced any significant losses related to individual customers or groups of customers in any particular geographic area; therefore, no allowance for doubtful accounts has been established at March 31, 2018 and 2017.

As at March 31, 2018, the Company has a concentration of credit risk with 13 domestic and international customers who represent 62% of trade receivables (2017 – 15 customers; 82%).

The carrying amount of trade and other receivables represents the maximum credit exposure. The maximum exposure to credit risk at March 31, 2018 was $16.3 million (2017 – $25.3 million). The aging of trade and other receivables at the reporting date was:

(thousands of $)	**March 31, 2018**	March 31, 2017
Current	**11,010**	7,626
31-60 days	**4,073**	13,394
61-90 days	**830**	2,516
Over 90 days	**359**	1,769
Balance, end of year	**16,272**	25,305

The Company assesses the creditworthiness of its customers on an ongoing basis and it regularly monitors the amount and age of balances outstanding. Payment terms with customers are 30 days from invoice date; however, industry practice can extend these terms. Accordingly, the Company views the credit risks on these amounts as normal for the industry.

The Company minimizes the credit risk of cash by depositing only with a reputable financial institution in highly liquid interest-bearing cash accounts.

(b) Market Risk:

Market risk is the risk that changes in market prices of the foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments.

(i) Foreign Exchange Risk

The Company operates internationally and primarily prices its products in either the Canadian or US dollar. This gives rise to exposure to market risks from changes in the foreign exchange rates between the Canadian and US dollar. Approximately 77% (2017 – 78%) of the Company's revenues for the year ended March 31, 2018 were denominated in US dollars, and at March 31, 2018, approximately US $14.6 million (2017 – US $20.8 million) of the Company's working capital was denominated in US dollars. The Company currently does not use derivative instruments to hedge its exposure to those risks, but as approximately 25% (2017 – 26%) of the Company's total costs are also denominated in US dollars, they provide a partial economic hedge against the fluctuation in this currency exchange. In addition, the Company manages levels of foreign currency held by converting excess US dollars into Canadian dollars at spot rates.

The Company's operations are exposed to currency risk on US-dollar denominated financial assets and liabilities with fluctuations in the rate recognized as foreign exchange gains or losses in the consolidated statement of operations and comprehensive income. It is estimated that a one cent change in the US dollar would result in a net change of approximately $107,000 to equity and net income for the year ended March 31, 2018. A weaker US dollar with respect to the Canadian dollar will result in a negative impact, while the reverse would result from a stronger US dollar.

(ii) Interest Rate Risk

The Company has significant cash balances and no interest-bearing debt. The Company's policy is to invest excess cash in interest-bearing deposits and/or guaranteed investment certificates issued by a reputable financial institution. The Company is exposed to interest cash flow risk from changes in interest rates on its cash balances. Based on the March 31, 2018 cash balance, each 1% change in the interest rate on the Company's cash balance would change equity and net income for the year ended March 31, 2018 by approximately $465,000.

(c) Liquidity Risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company manages liquidity risk through the management of its capital structure as outlined in note 13. The Company's growth is financed through a combination of the cash flows from operations and its cash balances on hand. Given the Company's available liquid resources as compared to the timing of the payments of its liabilities, management assesses the Company's liquidity risk to be low. The Company monitors its expenditures by preparing annual budgets that are periodically updated. At March 31, 2018, the Company has significant cash balances in excess of its obligations and approximately $0.8 million of the line of credit (note 16) available for its use.

15. Commitments:

(a) Research Commitments:

Until January 1, 2017, the Company was the operator of a joint project, a collaborative effort with its partners Shell International Exploration and Production B.V. and Petroleo Brasileiro S.A. ("Petrobras"), to jointly develop CoFlow, the newest generation of reservoir and production system simulation software (note 19).

Petrobras' financial participation in the joint development project ended effective January 1, 2017. Under the new five-year development agreement between CMG and Shell Global Solutions International B.V. ("Shell"), CMG is responsible for the research and development costs of CoFlow, while Shell will provide a fixed fee contribution for the continuing development of the software. The Company's revenue and costs associated with CoFlow are estimated to be $4.0 million and $8.0 million, respectively, in fiscal 2019.

(b) Lease Commitments:

The Company has operating lease commitments relating to its office premises with the minimum annual lease payments as follows:

As at March 31, (thousands of $)	2018	2017
Less than one year	**4,642**	4,333
Between one and five years	**18,232**	19,335
More than five years	**72,297**	82,304
	95,171	105,972

The Company leases a number of properties under operating leases. During the year ended March 31, 2018, $5.8 million (2017 – $2.8 million) was recognized as an expense in the statement of operations and comprehensive income in respect of operating leases related to office premises.

The Company entered into a twenty-year operating lease commitment relating to its new Calgary headquarters commencing in calendar 2017. The minimum annual lease payments have been reflected in the above schedule. The Company invested $15.6 million in infrastructure for the new headquarters over the last four fiscal years, which was recorded as property and equipment in the consolidated statement of financial position.

16. Line Of Credit:

The Company has arranged for a $1.0 million line of credit with its principal banker, which can be drawn down by way of a demand operating credit facility or may be used to support letters of credit. As at March 31, 2018, US $215,000 (March 31, 2017 – US $215,000) had been reserved on this line of credit for letters of credit supporting performance bonds.

17. Segmented Information:

The Company is organized into one operating segment represented by the development and licensing of reservoir simulation software. The Company provides professional services, consisting of support, training, consulting and contract research activities, to promote the use and development of its software; however, these activities are not evaluated as a separate business segment.

Revenues and property and equipment of the Company arise in the following geographic regions:

(thousands of $)	Revenue		Property and equipment	
	Years ended March 31,		As at March 31,	
	2018	2017	**2018**	2017
Canada	**21,015**	21,459	**15,733**	16,463
United States	**19,583**	16,928	**143**	192
South America	**9,656**	13,065	**136**	173
Eastern Hemisphere(1)	**24,426**	23,645	**50**	45
	74,680	75,097	**16,062**	16,873

(1) Includes Europe, Africa, Asia and Australia.

In the year ended March 31, 2018, one customer comprised 10.5% (March 31, 2017 – nil customers) of the Company's total revenue.

18. Subsidiaries:

CMG is the beneficial owner of the entire issued share capital and controls all the votes of its subsidiaries. The principal activities of all the subsidiaries are the sale and support for the use of CMG's software licenses. Transactions between subsidiaries are eliminated on consolidation.

The following is the list of CMG's subsidiaries:

Subsidiary	Country of Incorporation
Computer Modelling Group Inc.	United States
CMG Middle East FZ LLC	Dubai, United Arab Emirates
CMG (Europe) Limited	United Kingdom

19. CoFlow Project:

Until January 1, 2017, the Company was the operator of a joint project, a collaborative effort with its partners Shell International Exploration and Production B.V. and Petrobras, to jointly develop CoFlow, the newest generation of reservoir and production system simulation software. Accordingly, until January 1, 2017, the Company recorded its proportionate share of costs incurred on the project (37.04%) as research and development costs within the consolidated statement of operations and comprehensive income. Effective January 1, 2017, Petrobras' financial participation in the joint development project ended. Under the new five-year development agreement between CMG and Shell, CMG is responsible for the research and development costs of CoFlow, while Shell will provide a fixed fee contribution. The new agreement with Shell does not meet the definition of a joint arrangement, and as of January 1, 2017, the Company discontinued the use of proportionate consolidation to account for CoFlow.

For the year ended March 31, 2018, CoFlow revenue of $3.9 million was recorded to professional services revenue and CoFlow costs of $7.8 million were recorded to research and development expenses.

For the first nine months of the year ended March 31, 2017, under the proportionate consolidation method, CMG recorded $4.1 million of CoFlow costs in its consolidated statement of operations and comprehensive income. Additionally, under the previous arrangement the Company was entitled to charge its partners a fee for various services provided as operator, which was recorded in revenue as professional services and amounted to $2.1 million for the first nine months of the year ended March 31, 2017. For the last three months of the year ended March 31, 2017, subsequent to discontinuing proportionate consolidation, CMG recorded CoFlow revenue of $1.1 million and CoFlow costs of $1.9 million.

20. Related Parties:

(a) Intercompany Transactions:

The Company has three wholly owned subsidiaries (note 18) that have intercompany transactions under the normal course of operations and are eliminated upon consolidation.

(b) Key Management Personnel Compensation:

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors and control approximately 4.5% of the outstanding shares of CMG at March 31, 2018.

In addition to their salaries and director fees, as applicable, directors and executive officers also participate in the Company's stock-based compensation plans (note 12(c)), which are available to almost all employees of the Company, with the exception of the DSU plan, which is only available to non-employee directors of the Company.

Key management personnel compensation comprised the following:

Years ended March 31, (thousands of $)	**2018**	2017
Salaries, bonus and employee benefits	**4,142**	4,136
Stock-based compensation	**730**	644
	4,872	4,780

21. Subsequent Event:

On May 23, 2018, the Board of Directors declared a quarterly cash dividend of $0.10 per share on its Common Shares, payable on June 15, 2018, to all shareholders of record at the close of business on June 7, 2018.