TRIUS INVESTMENTS INC.

Consolidated Financial Statements

December 31, 2014

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CONTENTS

DAYE KELLY & ASSOCIATES
CERTIFIED GENERAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the shareholders of TRIUS INVESTMENTS INC.

We have audited the accompanying consolidated financial statements of TRIUS INVESTMENTS INC., which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013 and the consolidated statements of changes in equity, income and comprehensive income, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, 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 financial statements.

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

Opinion

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

original signed by: EPR DAYE KELLY & Associates
CHARTERED PROFESSIONAL ACCOUNTANTS

Fredericton, New Brunswick
April 28, 2015

TRIUS INVESTMENTS INC.

Consolidated Statements of Financial Position

December 31	Note	2014	2013
		(expressed in Canadian dollars)	
ASSETS			
Current assets			
Cash and cash equivalents		**$2,148,138**	$1,379,541
Short-term investments		**250,000**	255,143
Marketable securities		**304,389**	-
Trade and other receivables	6	**127,351**	141,421
Loan receivable	7	**500,000**	500,000
Income taxes receivable	21	**-**	30,804
Inventory	8	**8,464**	9,834
Prepaid expenses		**49,501**	62,585
		3,387,843	2,379,328
Non-current assets			
Accrued revenue	9	**54,861**	-
Investments in associates	10	**872,090**	970,922
Long-term investments	11	**986,229**	372,392
Equipment	12	**1,068,513**	1,071,354
Deferred tax assets	21	**62,000**	79,000
		3,043,693	2,493,668
		$6,431,536	$4,872,996
LIABILITIES			
Current liabilities			
Trade and other payables	13	**$ 298,359**	$ 334,121
Income taxes payable	21	**413,400**	136,933
Other payables	10	**24**	-
Unearned revenue	14	**19,215**	23,400
Due to affiliated company	19	**66**	2,655
Current portion of long-term debt	15	**284,054**	408,081
		1,015,118	905,190
Non-current liabilities			
Long-term debt	15	**320,565**	215,387
Deferred tax liabilities	21	**5,700**	25,000
		326,265	240,387
		1,341,383	1,145,577
EQUITY			
SHARE CAPITAL	16	**562,140**	575,047
RESERVES	16	**193,472**	52,035
RETAINED EARNINGS		**4,334,541**	3,100,337
		5,090,153	3,727,419
		$6,431,536	$4,872,996

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

APPROVED BY THE BOARD

original signed by: Andrew A Burgess

_____________________________ Director

original signed by: R Gordon Wheaton

_____________________________ Director

Consolidated Statements of Changes in Equity

	Note	Share Capital	Equity-settled share-based payments reserve	Foreign currency translation reserve	Retained Earnings	Total Equity
				(expressed in Canadian dollars)		
BALANCE AS AT JANUARY 1, 2013		$ 575,047	$ 11,956	$ (20,098)	$ 2,186,430	$ 2,753,335
Net income for the year		-	-	-	913,907	913,907
Other comprehensive income for the year		-	-	60,177	-	60,177
Total comprehensive income for the year		-	-	60,177	913,907	974,084
BALANCE AS AT DECEMBER 31, 2013		575,047	11,956	40,079	3,100,337	3,727,419
Net income for the year		-	-	-	1,298,112	1,298,112
Other comprehensive income for the year		-	-	141,437	-	141,437
Total comprehensive income for the year		-	-	141,437	1,298,112	1,439,549
Buy-back of common shares	16	(12,907)	-	-	(63,908)	(76,815)
BALANCE AS AT DECEMBER 31, 2014		$ 562,140	$ 11,956	$ 181,516	$ 4,334,541	$ 5,090,153

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

TRIUS INVESTMENTS INC.

Consolidated Statements of Income

For the Years Ended December 31	Note	2014	2013
		(expressed in Canadian dollars)	
REVENUE			
Disposal and recycling services		**$ 4,069,178**	$ 3,928,457
Container sales and rentals		**136,775**	145,132
Other revenue		**57,699**	123,164
		4,263,652	4,196,753
DIRECT EXPENSES			
Goods purchased for resale		**17,612**	8,860
Inventory write-down		**2,898**	-
Net decrease in inventory		**1,370**	4,308
		21,880	13,168
Wages and benefits		**833,720**	809,807
Fleet operating costs		**1,591,890**	1,386,388
		2,447,490	2,209,363
GROSS PROFIT		**1,816,162**	1,987,390
EXPENSES			
Management fees		**226,512**	226,512
Professional fees		**42,028**	48,374
Filing and agency fees		**17,595**	21,091
Administrative costs		**293,588**	286,137
Directors' fees and expenses		**49,015**	46,965
Bad debts		**-**	(27)
Amortization		**465,102**	479,138
		1,093,840	1,108,190
INCOME FROM OPERATING ACTIVITIES		**722,322**	879,200
OTHER INCOME			
Finance charges and interest		**(34,042)**	(40,593)
Gain on disposal of equipment		**45,746**	33,374
Other gains	22	**9,713**	-
Unrealized gain on currency exchange		**12,441**	4,902
		33,858	(2,317)
Interest income		**32,889**	107,290
Write-down of loan receivable		**(150,000)**	(8,548)
Share of associates' profit (loss)		**(108,298)**	10,843
Income received from long-term investments	11	**1,420,325**	238,116
		1,228,774	345,384
INCOME BEFORE INCOME TAXES		**1,951,096**	1,224,584
Income taxes	21	**652,984**	310,677
NET INCOME		**$ 1,298,112**	$ 913,907

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

Consolidated Statements of Comprehensive Income

For the Years Ended December 31	2014	2013
	(expressed in Canadian dollars)	
NET INCOME	**$ 1,298,112**	$ 913,907
OTHER COMPREHENSIVE INCOME		
Exchange differences on translating foreign operations	**141,437**	60,177
COMPREHENSIVE INCOME	**$ 1,439,549**	$ 974,084
EARNINGS PER SHARE (Note 18)		
Weighted average number of shares outstanding	**10,359,446**	10,506,674
Weighted average number of diluted common shares outstanding	**11,359,446**	11,506,674
Basic net income per share	**$ 0.1253**	$ 0.0870
Diluted net income per share	**$ 0.1143**	$ 0.0794
Basic comprehensive income per share	**$ 0.1390**	$ 0.0927
Diluted comprehensive income per share	**$ 0.1267**	$ 0.0847

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

TRIUS INVESTMENTS INC.

Consolidated Statements of Cash Flows

For the Years Ended December 31	2014	2013
	(expressed in Canadian dollars)	
OPERATING ACTIVITIES		
Cash received from customers	**$ 4,213,610**	$ 4,181,412
Cash paid to suppliers, employees and regulators	**(3,052,165)**	(2,685,588)
Interest paid on debt	**(34,443)**	(41,303)
Income taxes paid	**(348,013)**	(453,087)
Cash paid for directors' fees and expenses	**(49,015)**	(46,965)
	729,974	954,469
FINANCING ACTIVITIES		
Proceeds from long-term debt	**460,070**	132,500
Payment of long-term debt	**(478,920)**	(458,190)
Payment for buy-back of shares	**(76,815)**	-
	(95,665)	(325,690)
INVESTING ACTIVITIES		
Acquisition of investments in associates	**-**	(212,743)
Cash distributions from associates	**51,044**	53,180
Cash distributions from investees	**1,491,868**	238,116
Acquisition of long-term investments	**(580,050)**	-
Issuance of loans receivable	**(150,000)**	(306,000)
Advances from (to) affiliated company	**(2,589)**	267
Purchase of marketable securities	**(300,000)**	-
Interest from investments	**43,279**	81,266
Proceeds on disposal of equipment	**47,731**	38,856
Purchase of equipment	**(472,138)**	(207,907)
	129,145	(314,965)
INCREASE IN CASH	**763,454**	313,814
CASH - BEGINNING OF YEAR	**1,634,684**	1,320,870
CASH - END OF YEAR	**$ 2,398,138**	$ 1,634,684
REPRESENTED BY:		
Cash	**$2,148,138**	$1,379,541
Short-term investments	**250,000**	255,143
	$2,398,138	$1,634,684

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

1. CORPORATE INFORMATION

Trius Investments Inc. (the "Company") is a Canadian public company listed on the TSX Venture Exchange under the symbol "TRU". The company is incorporated under the laws of the Province of Alberta. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada E3B 5E3.

Trius Investments Inc., through one of its wholly-owned subsidiaries, Trius Disposal Systems Ltd., operates a waste disposal company which includes the residential curbside collection of household waste and recycle materials, light commercial collection, collection of "household junk" and large items not normally collected during weekly residential collection, for transportation to the local regional landfill site. In addition, this subsidiary sells and rents residential garbage containers.

In addition, Trius Investments Inc. has investments in real estate and health care operations in the United States through its other wholly-owned subsidiary, TRU Investments LLC, a State of Nevada Limited Liability Company.

The Company has also acquired investments in Alberta, Canada, beginning in 2013.

2. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on April 28, 2015.

3. BASIS OF PREPARATION

Statement of Compliance

The Company’s consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the year ended December 31, 2014.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 4. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements have been prepared on the basis of IFRS standards that are effective or available for early adoption on December 31, 2014.

Application of New and Revised International Financial Reporting Standards

The IASB and IFRIC have issued the following new and revised standards, which are effective for the year ended December 31, 2014:

- Amendments to IAS 32 - <u>Offsetting Financial Assets and Financial Liabilities</u>

  Amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realization and settlement". The adoption of this amendment did not have an impact of the Company's financial statements.

3. BASIS OF PREPARATION (continued)

- Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets

  Amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where the recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The adoption of this amendment did not have an impact on the Company's financial statements.

- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement

  All recognized financial assets that are within the scope of IAS 39 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. The adoption of this amendment did not have an impact on the Company's financial statements.

- Amendments to IFRS 10, IFRS 12, and IAS 27 - Investment Entities

  These amendments apply to a particular class of business that qualify as investment entities. The IASB uses the term "investment entity" to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 - Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e., all subsidiaries). Now, the Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. These standards are not applicable to the Company.

- IFRC 21 - Levies

  This interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 - Provision, Contingent Liabilities and Contingent Assets - and those where the timing and amount of the levy is certain. The adoption of IFRIC 21 did not have an impact on the Company's financial statements.

Accounting Standards, Interpretations and Amendments to Existing Standards That Are Not Yet Effective

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective for the year ended December 31, 2014:

- IFRS 9 - Financial Instruments

  This standard replaces the current IAS 39 - Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. This standard is effective for annual periods beginning on or after January 1, 2018.

3. BASIS OF PREPARATION (continued)

- IFRS 14 — Regulatory Deferral Accounts, effective for annual periods beginning on or after January 1, 2016
- IAS 19 (Amendments) — Employee Benefits, effective for annual periods beginning on or after July 1, 2014, and January 1, 2016
- IFRS 2 (Amendment) — Share-based Payment, effective for annual periods beginning on or after July 1, 2014
- IFRS 3 (Amendment) — Business Combinations, effective for annual periods beginning on or after July 1, 2014
- IFRS 8 (Amendment) — Operating Segments, effective for annual periods beginning on or after July 1, 2014
- IAS 16 (Amendments) — Property, Plant and Equipment, effective for annual periods beginning on or after July 1, 2014, and January 1, 2016
- IAS 24 (Amendment) — Related Party Disclosures, effective for annual periods beginning on or after July 1, 2014
- IAS 38 (Amendments) — Intangible Assets, effective for annual periods beginning on or after July 1, 2014, and January 1, 2016
- IFRS 13 (Amendment) — Fair Value Measurement, effective for annual periods beginning on or after July 1, 2014
- IAS 40 (Amendment) — Investment Property, effective for annual periods beginning on or after July 1, 2014
- IFRS 10 (Amendment) — Consolidated Financial Statements, effective for annual periods beginning on or after January 1, 2016
- IFRS 11 (Amendment) — Joint Arrangements, effective for annual periods beginning on or after January 1, 2016
- IFRS 15 — Revenue from Contracts with Customers, effective for annual periods beginning on or after January 1, 2017
- IAS 27 (Amendment) — Separate Financial Statements, effective for annual periods beginning on or after January 1, 2016
- IAS 28 (Amendment) — Investments in Associates, effective for annual periods beginning on or after January 1, 2016
- IAS 41 (Amendment) — Agriculture, effective for annual periods beginning on or after January 1, 2016
- IFRS 5 (Amendment) — Non-current Assets Held for Sale and Discontinued Operations, effective for annual periods beginning on or after January 1, 2016
- IFRS 7 (Amendment) — Financial Instruments: Disclosures, effective for annual periods beginning on or after January 1, 2016
- IAS 34 (Amendment) — Interim Financial Reporting, effective for annual periods beginning on or after January 1, 2016

The Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial positions of the Company. The Company is currently assessing the impact that these standards will have on the disclosures in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), together referred to as "the Group". An entity controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests, that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Company reviews the carrying amount of its investment to determine whether an additional impairment loss is required with any additional loss recognized within "share of associate's profit (loss)" in the consolidated statement of comprehensive income.

When the Group no longer has significant influence over an associate, accounting for the investment as an associate ceases. The carrying value of the investment in the associate is adjusted to fair value as at that date and is transferred to another class of financial asset depending on the level of influence retained. The investment is then accounted for under the requirements of the new financial asset designation.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The Company does not have any derivative financial instruments.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or cash payments over the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets

All financial assets are initially recorded at fair value and classified into one of the following four categories: fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), loans and receivables or available-for-sale ("AFS"). The classification depends on the nature and purpose of the financial assets and is determined by management at the time of initial recognition. All regular way purchases or sale of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Trade date is the date on which the Company commits to purchase the asset.

1) *Financial assets at FVTPL*

   A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses on remeasurement recognized in profit or loss.

   The Company classifies its short-term investments and marketable securities as FVTPL financial assets.

2) *Held-to-maturity investments*

   Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment.

   The Company does not have any assets classified as held-to-maturity investments.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

3) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company's loans and receivables are comprised of accounts receivable and loans receivable.

4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as AFS or are not classified as 1) FVTPL financial assets, 2) HTM investments or 3) loans and receivables. Subsequent to initial recognition, AFS financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss.

The Company's AFS financial assets are comprised of cash, investments in associates, and long-term investments.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or,
- default or delinquency in interest or principal payments; or,
- it becomes probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

1) *Financial liabilities at FVTPL*

   Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses or remeasurement recognized in profit of loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the statement of comprehensive income.

   The Company does not have any liabilities classified as FVTPL financial liabilities.

2) *Other financial liabilities*

   Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

   The Company’s other financial liabilities are comprised of trade and other payables, amounts due to related parties, and long-term debt.

Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts on deposit with banks, term deposits and other similar short-term highly liquid investments with maturities of 90 days or less at the date of issue.

Short-term Investments

Short-term investments consist of guaranteed investment certificates ("GICs") with original terms of one year or less but greater than 90 days. As short-term investments are subject to an insignificant risk of changes in value, the Company includes short-term investments as a component of cash in its Consolidated Statements of Cash Flows. Short-term investments are designated as held for trading financial instruments and are recorded at fair value.

Marketable Securities

Marketable securities consist of mutual fund investments which are designated as held for trading financial instruments and are recorded at fair value. As these investments are subject to changes in value due to market risk, the Company does not include marketable securities as a component of cash in its Statements of Cash Flows.

Inventory

The inventory, comprised of units for sale, is valued at the lower of cost and net realizable value. The cost of inventory is determined on a first-in, first-out basis. Cost includes the cost to purchase goods plus transportation incurred in bringing the inventory to their present location. Net realizable value is the estimated selling price.

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the asset's purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Expenditures that extend the useful life of an asset are capitalized and depreciated over the remaining useful life of the asset. Similarly, expenditures on major inspections or overhauls required to allow the continued use of the asset are capitalized and depreciated over their useful lives and any remaining carrying amounts of the cost of previous inspections and overhauls are derecognized. Repairs and maintenance expenditures that do not improve or extend productive life are expensed as incurred.

Depreciation of automotive equipment is calculated on a 30% declining balance method or on a straight-line basis over an estimated useful life of two to nine years, which will reduce the cost to estimated residual values over their estimated useful lives. Depreciation of machinery and other equipment is calculated on a straight-line basis over an estimated useful life of five years.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine if indications of impairment exist. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate independent cash flows, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of the asset or CGU is determined to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the Statement of Comprehensive Loss.

Value in use is determined as the present value of the estimated cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and does not take into account future development.

Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset or CGU in an arm's length transaction between knowledgeable and willing parties. Where there is no evidence of the value that would be obtained in an arm's length transaction, it is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including future development, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate to arrive at a net present value of the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset or CGU in prior periods, adjusted for additional amortization which would have been recorded had the amount not been impaired. A reversal of an impairment loss is recognized as a gain in the Statement of Comprehensive Loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance charges and interest expense in the Statement of Income in the period in which they are incurred.

Income taxes

Income tax expense or recovery is comprised of current and deferred tax.

Current Tax

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, which may differ from net income or loss as reported in the statement of Comprehensive Income due to items of income or expenses that are not currently taxable or deductible for tax purposes, and includes any adjustment to tax payable in respect of previous years. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Tax

Deferred income tax is determined using the liability method. Under this method, deferred tax assets or liabilities are determined based on the temporary differences between the carrying amount of assets and liabilities on the financial statements and the respective tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period. To the extent that the Company does not consider it probable that the benefits of a deferred tax asset will be realized, it provides a valuation allowance against the excess.

Deferred income tax is not recognized if it arises from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable income.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period in which the change is substantively enacted.

Current and Deferred Tax for the Year

Current and deferred tax relating to items recognized directly in equity and other comprehensive income are recognized in equity and other comprehensive income, respectively, and not in profit or loss.

Revenue Recognition

Revenue represents the fair value of consideration received and receivable for the sale of goods and services in the ordinary course of the Company’s operations. Revenue from services is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the stage of completion of the transaction at the end of the reporting period can be measured reliably, and the costs incurred for the services and the costs to complete the services can be measured reliably. Service revenue is recognized on a percentage of completion basis, pursuant to multi-year fixed price contracts subject to cost escalators. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is not recognized if there are significant uncertainties regarding recovery of the consideration due.

Unearned revenue represents the excess of amounts billed to customers over revenue earned on contracts which have a completion date after the end of the reporting period.

When uncertainty arises as to the collectibility of an amount already included in revenue, the uncollectible amount is initially recognized in allowance for doubtful accounts. Subsequent write-offs or recoveries are credited (debited) against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Company recognizes revenue from associates based on its proportionate interest in the associate's net income.

The Company records income from long-term investments as distributions are received or receivable, if not capital or financing receipts.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Earnings per Share

Earnings per share is calculated by dividing earnings by the weighted average number of outstanding common shares for the period. Diluted earnings per share is calculated by adjusting for the dilutive effect of outstanding stock options and warrants using the treasury stock method, which assumes that proceeds from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

In periods when the Company reports a net loss, the effect of potential issuance of common shares under options and warrants is anti-dilutive. As a result, in the periods when the Company reports a net loss, basic and diluted loss per share are the same.

Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 16.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in shareholder's equity from transactions and other events from non-owner sources. Other comprehensive income (loss) includes unrealized gains and losses resulting from the foreign currency translation of financial statements of a self-sustaining foreign subsidiary.

5. USE OF JUDGMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments in the process of applying the Company's accounting policies to determine the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from estimated amounts.

5. USE OF JUDGMENTS, ASSUMPTIONS AND ESTIMATES (continued)

Judgments, assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates, will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The main judgments and estimates made by management in applying accounting policies primarily relate to the following:

Valuation of financial instruments

As described in Note 20, the Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 20 provides detailed information about the key assumptions used in the determination of the fair value of the financial instruments. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Valuation of loans receivable

The Company evaluates its loans receivable for indicators of impairment. Objective evidence of impairment includes significant financial difficulty of the borrower, default or delinquency in interest or principal payments, or it becomes probable the borrower will enter bankruptcy or financial reorganization. Management considers these factors when determining if an impairment loss should be recognized.

Amortization and valuation of equipment

The amounts recorded for amortization of equipment are based on estimates of the useful lives of the equipment. Equipment is recorded at cost less related accumulated amortization.

Inventories

The Company evaluates its inventory to ensure it is carried at the lower of cost and net realizable value. Allowances are made against obsolete or damaged inventories and charged to cost of sales. The reversal of any write down of inventory arising from an increase in net realizable value would be recognized as a reduction in cost of sales in the period in which the reversal occurred.

Income taxes

The amounts recorded for deferred income taxes are based on assumptions as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on assumptions by management as to the probability of the Company utilizing certain tax losses in future periods and tax rates applicable to those periods.

Stock-based compensation

The Company has made certain assumptions when determining the fair value of stock option grants, including assumptions about the volatility of the Company's stock. See Note 16 for additional information.

(expressed in Canadian dollars)

6. TRADE AND OTHER RECEIVABLES

	2014	2013
Trade receivables	**$ 116,954**	$ 137,651
Accrued contract revenue	**12,042**	-
Allowance for doubtful accounts	**(2,700)**	(3,200)
	126,296	134,451
Other receivables		
Employee receivables	**294**	1,143
Accrued interest	**761**	5,827
	$ 127,351	$ 141,421

A reconciliation of the beginning and ending carrying amounts of the Company's allowance for doubtful accounts is as follows:

	2014	2013
Balance - beginning of year	**$ (3,200)**	$ (3,400)
Additional amounts recovered during the period	**-**	27
Trade receivables written off during the period	**500**	173
Amounts recovered	**-**	-
Balance - end of year	**$ (2,700)**	$ (3,200)

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognized an allowance for doubtful accounts because management has determined that there has not been a significant change in credit quality and the amounts are still considered recoverable.

	2014	2013
Age of receivables that are past due but not impaired:		
31 - 60 days	**$ 10,916**	$ 8,583
61 - 90 days	**7,606**	1,932
> 90 days	**31,421**	3,313
	$ 49,943	$ 13,828

The company holds no collateral for any receivable amounts outstanding as at December 31, 2014.

7. LOAN RECEIVABLE

	2014	2013
Loan receivable at 12% - payable on demand - secured by a General Security Agreement - maximum limit of $500,000	**$ 650,000**	$ 500,000
Impairment loss	**(150,000)**	-
	$ 500,000	$ 500,000

(expressed in Canadian dollars)

7. LOAN RECEIVABLE (continued)

Effective June 30, 2014, interest payments on this loan were suspended. On December 31, 2014, interest accrued to that date was written off. This reduced the amount of interest income reported on the Consolidated Statements of Income by $45,772.

In addition, management recognized an impairment loss of $150,000 and reduced the loan balance to the secured amount of $500,000.

8. INVENTORY

Inventory consists of portable residential garbage disposal containers and are held for resale as part of the Disposal Division. Inventory is valued using the first-in, first-out cost method and is recorded at the lower of cost and net realizable value. Inventory is pledged as security under a general security agreement held by a major Canadian bank.

9. ACCRUED REVENUE

	2014	2013
Accrued revenue from disposal and recycling contracts	**$ 66,903**	$ -
Current portion	**12,042**	-
	$ 54,861	$ -

10. INVESTMENTS IN ASSOCIATES

	2014	2013
MV Property, LLC	**$ 455,702**	$ 447,592
RL Property One, LLC	**226,151**	212,520
Colt Builders Inc.	**190,237**	310,810
	$ 872,090	$ 970,922

MV Property, LLC		
Investment at beginning of year	**$ 447,592**	$ 457,764
Share of profit	**13,237**	11,037
Cash distribution received	**(46,404)**	(53,180)
Foreign currency translation	**41,277**	31,971
Investment in MV Property, LLC	**$ 455,702**	$ 447,592

MV Property, LLC is a limited liability company registered in the State of Nevada that owns an approximately 14,000 square foot, multi-use facility located in Murray, Utah and leases property on a triple net basis to CPF Recovery Ways, LLC. The Company holds a 24.4% member interest in MV Property, LLC through its wholly-owned foreign subsidiary, TRU Investments LLC.

(expressed in Canadian dollars)

10. INVESTMENTS IN ASSOCIATES (continued)

Summarized financial information in respect to the Company's associate is set out below:

	2014	2013
Total assets	**$ 2,505,300**	$ 2,447,200
Total liabilities	**749,600**	717,500
Net assets	**$ 1,755,700**	$ 1,729,700

	2014	2013
Company's share of net assets of associate	**$ 428,400**	422,000
Total revenue	**$ 299,295**	$ 284,798
Total profit and other comprehensive income for the year	**$ 54,250**	$ 45,231
Company's share of profit and other comprehensive income of associate	**$ 13,237**	$ 11,037

RL Property One, LLC		
Investment at beginning of year	**$ 212,520**	$ -
Purchase of member interest	**-**	212,720
Share of profit (loss)	**(962)**	(194)
Cash distribution received	**(4,641)**	-
Foreign currency translation	**19,234**	(6)
Investment in RL Property One, LLC	**$ 226,151**	$ 212,520

RL Property One, LLC is a limited liability company registered in the State of Utah which began construction of a commercial rental property in Murray, Utah, in November 2013. Construction was completed in July 2014, at which time the facility was leased on a triple net basis to CPF Recovery Ways, LLC. The Company holds a 20.0% member interest in RL Property One, LLC through its wholly-owned foreign subsidiary, TRU Investments LLC.

Summarized financial information in respect to the Company's associate is set out below:

	2014	2013
Total assets	**$ 3,453,900**	$ 1,615,700
Total liabilities	**2,315,800**	553,100
Net assets	**$ 1,138,100**	$ 1,062,600

(expressed in Canadian dollars)

10. INVESTMENTS IN ASSOCIATES (continued)

	2014	2013
Company's share of net assets of associate	$ **227,600**	212,500
Total revenue	$ **117,655**	$ -
Total profit and other comprehensive income for the year	$ **(4,810)**	$ (968)
Company's share of profit and other comprehensive income of associate	$ **(962)**	$ (194)

	2014	2013
Colt Builders Inc.		
Investment at beginning of year	$ **310,810**	$ -
Purchase of shares	**-**	24
Share of profit (loss)	**(120,573)**	-
Conversion of debt	**-**	310,786
Investment in Colt Builders Inc.	$ **190,237**	$ 310,810

Colt Builders Inc. is incorporated in the Province of Alberta and is engaged in commercial framing. The Company acquired 19.02% of the common shares of Colt Builders Inc. on December 31, 2013.

During the prior year, the Company had issued a series of advances to Colt Formworks Inc., an associate of the Company. The loan, plus accrued interest, was assumed by Colt Builders Inc. on December 31, 2013. The loan was then converted to preferred shares, for an aggregate price of $310,786, the value of the assumed debt.

This investment is considered to be an investment in an associate, as the Company believes it has significant influence over the investee, due to the involvement of two members of the Company's Board of Directors in the day to day management of the associate, as well as shareholdings through another company.

Summarized financial information in respect to the Company's associate is set out below:

	2014	2013
Total assets	$ **1,591,100**	$ 1,357,300
Total liabilities	**1,838,900**	920,700
Net assets	$ **(247,800)**	$ 436,600
Company's share of net assets of associate	$ **(47,100)**	83,000
Total revenue	$ **6,944,610**	$ 5,265,163
Total profit and other comprehensive income for the year	$ **(633,929)**	$ 22,800
Company's share of profit and other comprehensive income of associate	$ **(120,573)**	$ -

10. INVESTMENTS IN ASSOCIATES (continued)

Colt Formworks Inc.

Colt Formworks Inc. is a company incorporated in the Province of Alberta, and operating in the construction industry. The Company acquired 20% of the common shares of the investee in November 2012, at a cost of $20. On December 31, 2013, the Company sold 1 share to an unrelated shareholder of the investee, at cost.

On February 17, 2014, the Company sold its remaining shares in the investee back to the investee, at cost.

11. LONG-TERM INVESTMENTS

	2014	2013
Investment in Recovery Ways LLC	$ -	$ -
Investment in Recovery Ways Mountain View, LLC	144	132
Investment in RW Austin Property, LLC	406,035	372,260
Investment in Recovery Ways Copper Hills, LLC	-	-
Investment in Brunswick Members, LLC	580,050	-
Investment in GS Chicago, LLC	-	-
	$ 986,229	$ 372,392

	December 31, 2014		December 31, 2013	
	Member Interest	Capital Interest	Member Interest	Capital Interest
Recovery Ways LLC	5.0%	0.0%	5.0%	0.0%
Recovery Ways Mountain View, LLC	3.6%	10.0%	3.6%	10.0%
RW Austin Property, LLC	10.0%	10.0%	10.0%	10.0%
Recovery Ways Copper Hills, LLC	1.5%	1.5%	1.5%	1.5%
Brunswick Members, LLC	11.8%	11.8%	-	-
GS Chicago, LLC	19.2%	19.2%	-	-

Recovery Ways LLC is a holding company that has an equity interest in Recovery Ways Mountain View, LLC, and Recovery Ways Copper Hills, LLC.

RW Austin Properly, LLC leases a building in Murray, Utah to CPF Recovery Ways, LLC, which operates a residential treatment centre.

In August 2014, the Company subscribed for a 11.8% member interest in Brunswick Members, LLC, a newly created limited liability company registered in the State of Utah. Brunswick Members, LLC is a holding company which owns 100% of RW Brunswick Property, LLC. The latter company leases a building to CPF Recovery Ways, LLC, which operates residential treatment centres.

In October 2014, the Company subscribed for a 19.23% member interest in GS Chicago, LLC, a newly created limited liability company registered in the State of Utah. GS Chicago LLC was created with the specific purpose to invest in Chicago Pacific Partners, LP. The Company's subscription requires a capital commitment of $500,000. As of December 31, 2014, the Company had not advanced any funds toward this commitment.

The investments are recorded in Canadian dollars, at cost. The Company has classified the investments as available-for-sale. In the absence of any objective evidence that the investments are impaired, management has determined that it is appropriate to continue to carry the investments at cost. The carrying amount reflects an adjustment for foreign currency translation gain of $33,787 (2013 - $24,029), which is recorded in Other Comprehensive Income.

(expressed in Canadian dollars)

11. LONG-TERM INVESTMENTS (continued)

Cash distributions received from the investments were:

	2014	2013
Recovery Ways LLC	**$ 960,502**	$ 97,842
Recovery Ways Mountain View, LLC	**283,685**	118,646
RW Austin Property, LLC	**30,925**	21,628
Recovery Ways Copper Hills, LLC	**145,213**	-
	$ 1,420,325	$ 238,116

Recovery Ways Asset Sale

The Group of Recovery Ways entities, which operated the various residential treatment centres in which the Company has an interest, negotiated a sale of assets to CPF Recovery Ways, LLC. The sale was approved by 100% of the Members of Recovery Ways Mountain View, LLC and Recovery Ways Copper Hills LLC, and 74% of the Members of Recovery Ways LLC.

The asset sale closed in July 2014 and 80% of the proceeds were distributed on a pro rata basis to each Member. The 20% holdback was paid into escrow as support for a performance covenant and certain customary representations and warranties provided to the buyer. It is expected that the holdback will be released in May 2015 and distribution on a pro rata basis will be made to Members thereafter. The Company's pro-rata share of the initial distribution was $1,305,239, which is included in income received from long-term investments in the Consolidated Statements of Income.

The allocation of the sale proceeds amongst the Recovery Ways entities was made by the Manager of the entities based on a determination of services provided by each entity, bed capacity, and other operational factors.

Subsequent to the sale, the three operating entities ceased primary business operations, and continued with administration functions of collecting receivables. It is anticipated that this process will be complete within eighteen months of the date of these financial statements. At that time, a final distribution will be made to the Members of each entity, and the entities will be wound up.

12. VEHICLES AND EQUIPMENT

	Automotive	Other Equipment	Rental Assets	Total
Cost				
Balance - January 1, 2013	$ 5,045,119	$ 116,601	$ 189,708	**$ 5,351,428**
Additions	187,985	-	19,921	**207,906**
Disposals	(170,788)	-	(24,246)	**(195,034)**
Impairment loss	-	-	(18,408)	**(18,408)**
Balance - December 31, 2013	5,062,316	116,601	166,975	**5,345,892**
Additions	460,070	-	12,068	**472,138**
Disposals	(432,422)	-	(31,278)	**(463,700)**
Impairment loss	(350,463)	-	-	**(350,463)**
Balance - December 31, 2014	$ 4,739,501	$ 116,601	$ 147,765	**$ 5,003,867**

(expressed in Canadian dollars)

12. VEHICLES AND EQUIPMENT (continued)

	Automotive	Other Equipment	Rental Assets	Total
Accumulated Depreciation				
Balance - January 1, 2013	$ 3,805,471	$ 60,251	$ 130,738	**$ 3,996,460**
Additions	438,575	19,517	21,046	**479,138**
Disposals	(159,323)	-	(23,329)	**(182,652)**
Impairment loss	-	-	(18,408)	**(18,408)**
Balance - December 31, 2013	4,084,723	79,768	110,047	**4,274,538**
Additions	424,213	19,065	21,822	**465,100**
Disposals	(432,422)	-	(30,161)	**(462,583)**
Impairment loss	(341,701)	-	-	**(341,701)**
Balance - December 31, 2014	$ 3,734,813	$ 98,833	$ 101,708	**$ 3,935,354**
Carrying Amount				
December 31, 2013	$ 977,593	$ 36,833	$ 56,928	**$ 1,071,354**
December 31, 2014	$ 1,004,688	$ 17,768	$ 46,057	**$ 1,068,513**
Carrying value of equipment pledged as security for liabilities	$ 722,768	$ -	$ -	**$ 722,768**

Amortization is calculated at the following rates:

Automotive	-	30 %	declining balance and 2-9 years straight line
Other equipment	-	5 years	straight line
Rental assets	-	5 years	straight line

13. TRADE AND OTHER PAYABLES

	2014	2013
Trade payables and accruals	**$ 150,355**	$ 191,126
HST payable	**33,272**	24,556
Employee compensation and related payables	**113,873**	117,179
Accrued interest on long-term debt	**859**	1,260
	$ 298,359	$ 334,121

The usual credit period taken for trade purchases is between 30 to 60 days. The following is an aged analysis of trade and other payables:

	2014	2013
Less than 1 month	**$ 283,396**	$ 312,681
31 - 60 days	**2,533**	2,700
61 - 90 days	**4,017**	2,700
Over 90 days	**8,413**	16,040
	$ 298,359	$ 334,121

Included in trade and other payables are amounts due to related parties which are disclosed in Note 19.

(expressed in Canadian dollars)

14. UNEARNED REVENUE

Unearned revenue consists of advanced billings for the rental of residential garbage containers.

15. LONG-TERM DEBT

	2014	2013
Bank loan at prime plus 2% - due March 2014 - payments of $2,500 per month plus interest - secured by a general security agreement over specific equipment and an assignment of insurance	$ -	$ 7,500
Bank loan at prime plus 2% - due November 2014 - payments of $5,092 per month plus interest - secured by a general security agreement over specific equipment and an assignment of insurance	-	56,012
Conditional sales contract at 5.25% - due April 2015 - payments of $15,095 per month including interest - secured by specific equipment and an assignment of insurance	59,726	232,775
Conditional sales agreement at 5.3% - due July 2015 - payments of $7,975 per month including interest - secured by a general security agreement over specific equipment and an assignment of insurance	54,850	145,030
Conditional sales contract at 4.92% - due November 2015 - payments of $3,390 per month including interest - secured by a general security agreement over specific equipment and an assignment of insurance	36,391	74,266
Conditional sales contract at 3.74% - due May 2016 - payments of $3,897 per month including interest - secured by a general security agreement over specific equipment and an assignment of insurance	64,421	107,885
Conditional sales contract at 3.74% - due February 2019 - payments of $8,419 per month including interest - secured by specific equipment and an assignment of insurance	389,231	-
	604,619	623,468
Current portion	284,054	408,081
	$ 320,565	$ 215,387

Yearly principal repayments are estimated to be as follows:

2015	$ 284,054
2016	110,618
2017	94,790
2018	98,397
2019	16,760
	$ 604,619

The Company has been approved for a credit facility from a major bank with an approved limit of $2,000,000. Loans authorized under the facility bear interest at bank prime plus 2% and are secured by a General Security Agreement. Leases authorized under the facility bear interest at the bank's published one to five year leasing rate plus a spread to be determined, and are secured by specific lease agreements and an assignment of insurance. As at December 31, 2014, the Company had utilized $544,893 (2013 - $390,693) of the facility.

The credit facility agreement requires the Company to maintain a debt service coverage ratio, as defined in the facility agreement, of 1.25:1. As at December 31, 2014 the Company was in compliance with this requirement.

(expressed in Canadian dollars)

16. SHARE CAPITAL

Authorized
Unlimited number of common shares
Unlimited number of preferred shares issuable in series
Issued

	Number of Shares		Amount
Common shares			
Balance at December 31, 2013	**10,506,674**	$	575,047
Balance at December 31, 2014	**10,270,841**	$	562,140

Incentive Stock Option Plan

The Company's incentive stock option plan permits the grant of stock options to employees, directors, officers and consultants of the Company. The Board of Directors designates eligible participants to be included under the plan and designates the number of options and share price of the options, subject to applicable securities laws and stock exchange regulations. As at December 31, 2014, under this plan, 50,067 common shares were reserved for stock options.

As at December 31, 2014, the outstanding stock options included 1,000,000 options which were granted on September 6, 2011 to directors and officers with an exercise price of $0.11. The options expire on September 6, 2016.

The Company is following the fair value based method of accounting for stock options.

The following reconciles the share options outstanding at the beginning and end of the year.

	2014			2013		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Balance - beginning and end of year	**1,000,000**	**$**	**0.11**	1,000,000	$	0.11

Repurchase of Shares

On December 11, 2013, the Company filed with the TSX Venture Exchange a Notice of Intention to purchase its common shares from time to time in accordance with the normal course issue bid procedures under Canadian securities laws.

Pursuant to the issuer bid, Trius was permitted to purchase for cancellation up to 1,050,667 of its common shares, representing 10% of its public float, during the 12-month period commencing December 18, 2013. The price paid for any shares under the normal course issuer bid was the market price at the time of purchase. The purchases were made through the TSX Venture Exchange.

During the year, the Company repurchased 235,833 common shares. Costs in excess of the average price of the outstanding common shares as at December 18, 2013 ($0.05473) were charged directly to retained earnings. No gain or loss was recognized in profit or loss.

17. OPERATING SEGMENTS

The Company's reportable segments are the Disposal Division, which includes the operation of the wholly-owned subsidiary, Trius Disposal Systems Ltd., and the Investing Division, which includes the operations of the wholly-owned subsidiary, TRU Investments LLC. All other investing and management activity is included under "Other".

The Disposal Division operates a waste disposal company in Fredericton, New Brunswick, Canada, which includes the residential curbside collection of household waste and recycle materials, light commercial collection, collection of "household junk" and large items not normally collected during weekly residential collection, for transportation to the local municipal landfill site. In addition, this subsidiary sells and rents residential garbage containers.

The Investing Division is incorporated in the State of Nevada, USA. The Division operates in the State of Utah, and its primary activity is investing in other entities which manage real estate used in health care operations in the United States. Segment information for this Division is reported in Canadian dollars, the presentation currency.

Any intra-group transactions have been eliminated from the following reconciliations.

Reconciliation of Consolidated Statement of Financial Position, as at December 31, 2014

	Disposal Division	Investing Division	Other	Entity
Current assets	$ 1,938,266	$ 897,077	$ 552,500	**$ 3,387,843**
Investments in associates accounted for by the equity method	-	681,853	190,237	**872,090**
Long-term investments	-	986,229	-	**986,229**
Vehicles and equipment	1,068,513	-	-	**1,068,513**
Future tax assets	-	24,000	38,000	**62,000**
Other non-current assets	54,861	-	-	**54,861**
Total assets	$ 3,061,640	$ 2,589,159	$ 780,737	**$ 6,431,536**
Total liabilities	$ 900,625	$ 376,175	$ 64,583	**$ 1,341,383**

Reconciliation of Consolidated Statement of Financial Position, as at December 31, 2013

	Disposal Division	Investing Division	Other	Entity
Current assets	$ 1,582,185	$ 157,037	$ 640,106	$ 2,379,328
Investments in associates accounted for by the equity method	-	660,112	310,810	970,922
Long-term investments	-	372,392	-	372,392
Vehicles and equipment	1,071,354	-	-	1,071,354
Future tax assets	-	57,000	22,000	79,000
Total assets	$ 2,653,539	$ 1,246,541	$ 972,916	$ 4,872,996
Total liabilities	$ 1,034,920	$ 346	$ 110,311	$ 1,145,577

(expressed in Canadian dollars)

17. OPERATING SEGMENTS (continued)

Reconciliation of selected line items from the Consolidated Statement of Income for the year ended December 31, 2014

	Disposal Division	Investing Division	Other	Entity
Revenue from external customers	$ 4,274,119	$ 1,683	$ 30,453	**$ 4,306,255**
Interest expense	34,042	-	-	**34,042**
Amortization	465,102	-	-	**465,102**
Share of profit of associates accounted for by the equity method	-	12,275	(120,573)	**(108,298)**
Income from other investments	-	1,420,325	-	**1,420,325**
Income tax expense	215,574	422,982	14,428	**652,984**
Net Income before Other Comprehensive Income	875,534	1,007,436	(584,858)	**1,298,112**

Reconciliation of selected line items from the Consolidated Statement of Income for the year ended December 31, 2013

	Disposal Division	Investing Division	Other	Entity
Revenue from external customers	$ 4,196,752	$ 153	$ 106,368	$ 4,303,273
Interest expense	40,593	-	-	40,593
Amortization	479,138	-	-	479,138
Share of profit of associates accounted for by the equity method	-	10,843	-	10,843
Income from other investments	-	238,116	-	238,116
Income tax expense	240,278	(13,152)	83,551	310,677
Net Income before Other Comprehensive Income	985,176	258,726	(329,995)	913,907

18. EARNINGS PER SHARE

The basic share issue is calculated as follows:

	2014	2013
Common shares issued and outstanding - beginning of year	**10,506,674**	10,506,674
Common shares issued during the year	**-**	-
Common shares canceled during the year	**(235,833)**	-
Common shares issued and outstanding - end of the year	**10,270,841**	10,506,674
Weighted average of common shares issued and outstanding	**10,359,446**	10,506,674

The basic earnings per common share is calculated by dividing the net income for each year by the number of basic common shares outstanding, on a weighted average basis.

(expressed in Canadian dollars)

18. EARNINGS PER SHARE (continued)

The diluted share issue is calculated as follows:

	2014	2013
Weighted average number of basic common shares issued and outstanding - end of year	**10,359,446**	10,506,674
Dilutive effect		
Stock options	**1,000,000**	1,000,000
Weighted average number of diluted common shares issued and outstanding - end of the year	**11,359,446**	11,506,674

The diluted earnings per common share is calculated by dividing the net income for each period by the number of diluted common shares outstanding, on a weighted average basis.

19. RELATED PARTY TRANSACTIONS

In the course of regular business activities, the Company has routine transactions with related parties. Such transactions are measured at the exchange amount, which is the amount established and agreed to by the related parties, and are further described below. The terms and conditions of the transactions with key management personnel and other related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Trading transactions

The following entities transacted with the Company in the reporting period. The transactions included vehicle fuel purchases, vehicle rentals and vehicle repairs and maintenance charged to the Company at market prices. In addition, during the course of business, the managing company (Trius Inc.) may collect money or pay liabilities on behalf of the Company.

The aggregate value of transactions and outstanding balances relating to these transactions were as follows:

	Sales		Purchases	
	December 31 2014	December 31 2013	**December 31 2014**	December 31 2013
Trius Inc.	**$ -**	$ -	**$ 1,317,150**	$ 1,123,531
Trius Leasing Ltd.	**57,742**	118,817	**2,501**	1,110
	$ 57,742	$ 118,817	**$ 1,319,651**	$ 1,124,641

	2014	2013
Owed by related parties:		
Trius Leasing Ltd.	**$ 97**	17,587

	2014	2013
Owed to related parties:		
Trius Inc.	**$ 94,422**	$ 123,630
Trius Leasing Ltd.	**-**	164
	$ 94,422	$ 123,794

(expressed in Canadian dollars)

19. RELATED PARTY TRANSACTIONS (continued)

The outstanding balances from these transactions are included on the balance sheet as follows:

- $97 (2013 - $17,587) recorded in trade and other receivables
- $94,356 (2013 - $121,139) recorded in trade and other payables
- $66 (2013 - $2,655) recorded as due to related parties, a current liability

In addition to the above, the Disposal Division leases vehicles to Trius Leasing Ltd., on a month-to-month lease. Income from the lease is reported as other revenue on the Consolidated Statement of Income. During the current or previous years, no vehicles were purchased or sold to a related party.

The amounts outstanding are unsecured and will be settled in cash. No guarantees related to these balances have been given or received. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	2014	2013
Short-term benefits	**$ 240,330**	$ 238,860

The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

Investing Activities

Associates and other investees located in the United States are also associated with a current director.

Loans receivable

During the previous year, the Company advanced funds to Colt Formworks Inc., an entity which it accounted for as an associate. On December 31, 2013, the loan, with accrued interest, was assumed by Colt Builders Inc., in which the Company also invested during the year. Colt Builders Inc. is also accounted for as an associate (Note 10). On December 31, 2013, the loan was converted to preferred shares of Colt Builders Inc., at the carrying value of the loan, including accrued interest.

The Company has an outstanding loan receivable from Colt Builders Inc. as described in Note 7. In February 2014, the Company authorized an increase to $650,000 on this credit facility. As at December 31, 2014, following management's assessment of the debtor, an impairment loss of $150,000 was recorded, and the loan was written down to the secured value of $500,000.

Other related party transactions

Pursuant to a management agreement, management fees of $226,512 ($2013 - $226,512) were paid to a company under common control.

Management fees were comprised of:

	2014	2013
General and administrative services	**$ 138,534**	$ 138,534
Premises rent	**51,916**	51,916
Management services	**36,062**	36,062
	$ 226,512	$ 226,512

(expressed in Canadian dollars)

20. FINANCIAL INSTRUMENTS

Capital Management

The Company's objectives when managing capital are to maintain adequate liquidity and to maintain financial flexibility in order to have access to capital in the event of future requirements. The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's net capital is comprised of working capital, interest bearing debt and shareholder's equity. The Company monitors its net working capital, which is calculated as follows:

	2014	2013
Current assets	**$ 3,387,843**	$ 2,379,328
Current liabilities	**1,015,118**	905,190
Net working capital	**$ 2,372,725**	$ 1,474,138

The Company's credit facility agreement with a major bank includes a Debt Service Ratio that requires the Company to maintain EBITDA (net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization expense) to interest expense plus the current portion of long-term debt and capital leases calculated on an annual basis of 1.25:1. As at December 31, 2014, the Company was in compliance with this covenant.

The Company prepares annual and updated budgets which are approved by the Board of Directors.

Categories of Financial Instruments

	2014	2013
Financial assets at FVTPL		
Cash and cash equivalents		
Short-term investments < 90 days	**$ -**	$ 125,000
Other short-term investments	**250,000**	255,143
Marketable securities	**304,389**	-
	$ 554,389	$ 380,143
Loans and receivables		
Trade and other receivables	**$ 127,351**	$ 141,421
Due from related party	**500,000**	500,000
	$ 627,351	$ 641,421
Available for sale		
Cash and cash equivalents	**$ 2,148,138**	$ 1,254,541
Investments in associates	**872,090**	970,922
Long-term investments	**986,229**	372,392
	$ 4,006,457	$ 2,597,855

(expressed in Canadian dollars)

20. FINANCIAL INSTRUMENTS (continued)

Fair Value

Fair value is defined as the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing partners in an arm's length transaction. The following table provides the basis of analysis for those financial instruments of the Company which are measured subsequent to their initial recognition at fair value. This analysis is based on the degree to which the fair value is observable, and financial instruments are grouped into categories accordingly:

- Level 1 financial instruments are those which can be valued based on quoted market prices (unadjusted) in active markets for identical assets or liabilities. As at December 31, 2014, the Company's Level 1 financial instruments included marketable securities.

- Level 2 financial instruments are those which can be valued based on inputs other than quoted active market prices, using techniques that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). As at December 31, 2014, the Company's Level 2 financial instruments included guaranteed investment certificates included in short term investments.

- Level 3 financial instruments are those derived from valuation techniques using inputs for the asset or liability that are not based on observable market data. As at December 31, 2014, the Company's Level 3 financial instruments included investments in associates and long-term investments.

	Financial assets at fair value			
	Level 1	Level 2	Level 3	**December 31 2014**
Financial assets at FVTPL				
Cash and cash equivalents				
Short-term investments	$ -	$ -	$ -	**$ -**
Held for trading				
Short-term investments	-	250,000	-	**250,000**
Marketable securities	304,389	-	-	**304,389**
Available-for-sale financial assets				
Investments in associates	-	-	872,090	**872,090**
Long-term investments	-	-	986,229	**986,229**
	$ 304,389	$ 250,000	$ 1,858,319	**$ 2,412,708**

	Financial assets at fair value			
	Level 1	Level 2	Level 3	December 31 2013
Financial assets at FVTPL				
Cash and cash equivalents				
Short-term investment	$ -	$ 125,000	$ -	$ 125,000
Restricted investment	-	-	-	-
Held for trading				
Short-term investments	-	255,143	-	255,143
Available-for-sale financial assets				
Investments in associates	-	-	970,922	970,922
Long-term investments	-	-	372,392	372,392
	$ -	$ 380,143	$ 1,343,314	$ 1,723,457

20. FINANCIAL INSTRUMENTS (continued)

There were no transfers between Levels 1 and 2 in the period.

The carrying values of cash and cash equivalents, trade and other receivables, loan receivable, trade and other payables, and amounts due to and from related parties approximate their fair values on a discounted cash flow basis because of the short-term maturity of those instruments.

The Company has classified the long-term investments as available-for-sale. In the absence of any objective indicators of impairment, management has determined that the fair value of the long-term investments is their carrying value.

The Company has significant influence but not control in the investments in associates, and accounts for them using the equity method. In the absence of any objective indicators of impairment, management has determined that the fair value of investments in associates is their carrying value.

The carrying value of long-term debt approximates fair value on a discounted cash flow basis because these obligations bear interest at market rates.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Company's credit risk is primarily related to its trade receivables and loans receivable. The amounts disclosed in the balance sheet 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 believes that the credit risk of accounts receivable is limited due to the following reasons:

- The Company has established a comprehensive credit policy. This includes establishment of credit terms with new customers and the continued monitoring of existing customers.

- The majority of the Company's customers are provincial and municipal government authorities.

Additional details of accounts receivable and the related allowance for doubtful accounts is included in Note 6.

The credit risk on liquid funds in limited because the counterpart are banks with high credit ratings.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its accounts receivable and other liquid assets.

The Company manages its exposure to credit risk related to loans receivable by monitoring the financial status of debtors, as specified in Loan and General Security Agreements signed by each debtor. The Agreements also provide collateral against the loans receivable.

Concentration of Credit Risk

The Company derives significant revenue in the Disposal Division from three major customers which generate approximately 78% (2032 - 78%) of revenue. Given the nature of the customers, and the Company's history with them, management does not believe it is exposed to significant credit risk with respect to these customers.

The properties owned or controlled by Associates (MV Property, LLC and RL Property One, LLC) and Investees (RW Austin Property, LLC and Brunswick Members, LLC) are leased to a single company, CPF Recovery Ways, LLC. All leases are for a ten year period on a triple-net basis.

20. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Although the Company does not maintain a revolving credit facility, it has sufficient funds available to meet its current and foreseeable financial requirements.

The Statement of Financial Position includes $298,359 in accounts payable and accrued liabilities all due within one year or less. The repayment schedule for long-term debt credit facilities is included in Note 15.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Company is exposed to interest rate and other price risks.

a) *Interest Rate Risk*

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as all of its long-term debt bears interest at fixed rates for the full term of each debt instrument.

Cash and cash equivalents and short-term investments have limited interest rate risk due to their short-term nature. Loans and receivables have interest rates which are in effect for the duration of the loan agreement.

b) *Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to other price risks is related to its marketable securities, comprised of a mutual fund which is actively traded in the Canadian market. The risk of a change in fair value of the mutual fund is related to general market conditions which would affect similar financial instruments.

If the market price of the mutual fund were to increase/decrease by 5%, the Company's net income and other comprehensive income would increase/decrease by $15,000.

The Company was not exposed to other price risks in previous years, as it was not invested in marketable securities.

(expressed in Canadian dollars)

21. TAXES

The Company is subject to Canadian federal and provincial tax for the estimated taxable income for the years ended December 31, 2014 and 2013 at a rate of 25%.

The tax expense for the Company can be reconciled to the net income for the period per the Statement of Comprehensive Income as follows:

		2014		2013
Income from operations before tax		**$ 1,951,096**		$ 1,224,584
Income tax using the statutory tax rate	25.0%	**$ 487,774**	25.0%	$ 306,146
Non-deductible expenses	2.0%	**38,615**	0.1%	1,495
Origination and reversal of temporary differences	-2.3%	**(45,904)**	2.7%	33,072
Effect of difference in provincial tax rates	0.9%	**17,398**	0.8%	10,051
Effect of different tax rates of subsidiary operating in other jurisdiction	6.5%	**127,646**	0.9%	11,606
Effect of income (loss) that is taxed in foreign jurisdiction	0.0%	**(388)**	2.6%	31,377
Difference between prior year's estimate and actual	0.0%	**-**	0.8%	(10,070)
Effect of loss (income) that is exempt from taxation	1.5%	**30,143**	0.0%	-
Current tax expense for the year	33.6%	**655,284**	31.3%	383,677
Deferred tax				
Origination and reversal of temporary differences	-0.1%	**(2,300)**	-5.9%	(73,000)
Net tax expense for the year	33.5%	**$ 652,984**	25.4%	$ 310,677

The components of the Company's recognized deferred income tax assets (liabilities) are as follows:

	2014	2013
Deferred tax assets	**$ 75,500**	$ 93,000
Deferred tax liabilities		
Share issue costs	**(13,500)**	(14,000)
Vehicles and equipment	**(5,700)**	(25,000)
	$ 56,300	$ 54,000

22. OTHER GAINS

	2014	2013
Net gain on financial assets designated as at FVTPL:		
Interest on short-term investments	**$ 5,324**	$ -
Unrealized gain on marketable securities	**4,389**	-
	$ 9,713	$ -

Income related to financial assets that are not classified as at FVTPL is included in Interest on the Statements of Comprehensive Income.

(expressed in Canadian dollars)

23. COMMITMENT

As described in Note 11, the Company has made a capital commitment to invest $500,000 US in GS Chicago, LLC. As of December 31, 2014, the Company had not advanced any funds toward this commitment. In the period between the date of these financial statements and their issuance, the Company has advanced $88,458 US.

24. SUBSEQUENT EVENTS

a) *Distributions from Long-Term Investments*

In the period between December 31, 2014 and the issuance of these financial statements (April 28, 2015), the Company has received cash distributions from its long-term investments in the amount of $216,600 US.

b) *Vehicle Purchase and Related Financing*

In January 2015, the Company purchased one new garbage disposal truck for a total cost of $209,000 excluding HST. The truck was financed with a conditional sales contract with a major bank. The financing bears interest at 3.43%, requires 60 monthly payments of $3,802, including interest, and is secured by the truck.

c) *Business Combination*

On March 4, 2015, the Company acquired 100% of the common shares of Capital Waste Management Ltd. ("Capital"), which represents 100% of the voting equity interest of the acquired company. Capital's primary business activity is the provision of waste disposal services for commercial customers in the greater Fredericton, New Brunswick area. The acquisition provides the Company with an opportunity to expand its services into the commercial sector.

In consideration for the shares, the Company paid cash of $140,000. This amount includes an advance of $90,000 to Capital for the purpose of settling the outstanding amount owed to the former owner. In exchange, the Company acquired a promissory note from Capital for $90,000. Acquisition related costs are anticipated to be approximately $5,000, and will be recognized as an expense in profit or loss in 2015, within the "Other Income (Expenses)" line item.

Fair value of assets acquired and liabilities recognized at the date of acquisition:

Current assets	
Cash and cash equivalents	$ 3,000
Prepaid expenses	1,000
Non-current assets	
Vehicles and equipment	151,000
Deferred tax benefit	16,000
Current liabilities	
Amount due to related party	(90,000)
Non-current liabilities	
Equipment loan	(75,000)
Deferred tax liability	(12,000)
Fair value of identified net assets (liabilities) acquired	$ (6,000)

(expressed in Canadian dollars)

24. SUBSEQUENT EVENTS (continued)

The initial accounting for the acquisition has been provisionally determined as at the date of issuance of these financial statements. The tax values of Capital's assets were estimated based on available information. At the date of finalization of these financial statements, the necessary calculations had not been finalized and they have, therefore, only been provisionally determined based on management's best estimate of the likely tax values.

Goodwill arising on acquisition

Consideration transferred	$ 140,000
Less: Promissory note acquired	(90,000)
Add: Fair value of identified net liabilities acquired	6,000
Goodwill arising on acquisition	$ 56,000

Goodwill arose in the acquisition because the consideration paid effectively included amounts in relation to the benefits of expected revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiary

Consideration paid in cash	$ 140,000
Less: Cash and cash equivalent balances acquired	(3,000)
	$ 137,000

Impact of acquisition on the results of the Company

The Company anticipates that gross revenues from the additional business generated by Capital will be approximately $100,000 in fiscal 2015, and the profit will be approximately $5,000.