Canadian Air Transport Security Authority
Administration canadienne de la sûreté du transport aérien

Quarterly Financial Report

For the Three and Six Months Ended
September 30, 2015

Canada

CATSA ACSTA

CANADIAN AIR TRANSPORT SECURITY AUTHORITY
MANAGEMENT'S NARRATIVE DISCUSSION
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2015

Management's Narrative Discussion outlines the significant activities and initiatives, risks and financial results of the Canadian Air Transport Security Authority (CATSA) for the three and six months ended September 30, 2015. This Narrative Discussion should be read in conjunction with CATSA's unaudited condensed interim financial statements for the three and six months ended September 30, 2015, which have been prepared in accordance with Section 131.1 of the *Financial Administration Act* and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). This Narrative Discussion should also be read in conjunction with CATSA's Management Discussion and Analysis and audited annual financial statements for the year ended March 31, 2015, and the Quarterly Financial Report for the three months ended June 30, 2015. The information in this report is expressed in thousands of Canadian dollars and is current to November 25, 2015, unless otherwise stated.

Forward-looking statements

Readers are cautioned that this report includes certain forward-looking information and statements. These forward-looking statements contain information that is generally stated to be anticipated, expected or projected by CATSA. They involve known and unknown risks, uncertainties and other factors which may cause the actual results and performance of the organization to be materially different from any future results and performance expressed or implied by such forward-looking information.

Materiality

In assessing what information is to be provided in this report, management applies the materiality principle as guidance for disclosure. Management considers information material if it is probable that its omission or misstatement, judged in the surrounding circumstances, would influence the economic decisions of CATSA's stakeholders.

CORPORATE OVERVIEW

CATSA is an agent Crown corporation mandated to provide effective and efficient screening of persons who access aircraft or restricted areas through screening points, the property in their possession or control and the belongings or baggage that they give to an air carrier for transport. CATSA is also responsible for ensuring consistency in the delivery of screening across Canada and for air transport security functions that the Minister of Transport may assign to it, subject to any terms and conditions that the Minister may establish. In carrying out its responsibilities, CATSA must do so in the public interest, having due regard to the interest of the travelling public. CATSA's mission is to protect the public by securing critical elements of the air transportation system as assigned by the Government of Canada.

To achieve this, CATSA conducts screening in the following four areas:

- Pre-Board Screening (PBS): the screening of passengers, their carry-on baggage and their personal belongings;
- Hold Baggage Screening (HBS): the screening of checked baggage;
- Non-Passenger Screening (NPS): the screening of non-passengers on a random basis; and

- Restricted Area Identity Card (RAIC) Program: the administration of access control to airport restricted areas through biometric identifiers.

In addition to its mandated activities, CATSA has an agreement with Transport Canada to conduct screening of cargo at smaller airports. This program was designed to screen limited amounts of cargo during off-peak periods and involves using existing technology and resources.

With the support of Transport Canada, CATSA also entered into a trial agreement with the Greater Toronto Airports Authority for the provision of supplemental screening services effective October 5, 2014.

OPERATING ENVIRONMENT

The following section provides information on significant changes in the operating environment that have occurred since June 30, 2015.

PASSENGER GROWTH AND SCREENING CONTRACTOR BILLING RATES

CATSA received incremental funding of $26,800 for 2015/16 to allow the organization to maintain wait time service levels comparable to those of 2014/15[1]. CATSA will continue to work with Transport Canada to develop possible solutions to address funding pressures associated with passenger growth and billing rate increases that are anticipated for 2016/17 and beyond.

Statistics from CATSA's Boarding Pass Security System (BPSS) for the three months ended September 30, 2015 indicate that screened traffic across Canada increased by 6.4% over the same period in 2014.

RISKS AND UNCERTAINTIES

There have been no significant changes to the corporate risk profile as previously disclosed in the *2015 Annual Report*.

[1] The incremental funding was determined using the assumption that passenger growth for 2015/16 will be 3.5%.

ANALYSIS OF FINANCIAL RESULTS

STATEMENT OF COMPREHENSIVE INCOME

The following section provides information on key variances within the Condensed Interim Statement of Comprehensive Income for the three and six months ended September 30, 2015 and September 30, 2014.

Key Financial Highlights - Condensed Interim Statement of Comprehensive Income	Three Months Ended September 30				Six Months Ended September 30			
	2015	2014			2015	2014		
(Thousands of Canadian dollars)	(unaudited)	(unaudited)	$ Change	% Change	(unaudited)	(unaudited)	$ Change	% Change
Expenses [1]								
Screening services and other related costs	$ 110,233	$ 102,594	$ 7,639	7.4%	$ 216,862	$ 198,473	$ 18,389	9.3%
Program support and corporate services	19,121	17,839	1,282	7.2%	38,776	37,564	1,212	3.2%
Equipment operating and maintenance	10,715	12,060	(1,345)	(11.2%)	21,274	23,645	(2,371)	(10.0%)
Depreciation and amortization	14,144	13,805	339	2.5%	27,392	28,054	(662)	(2.4%)
Total expenses	**$ 154,213**	**$ 146,298**	**$ 7,915**	**5.4%**	**$ 304,304**	**$ 287,736**	**$ 16,568**	**5.8%**
Total other expenses	**375**	**272**	**103**	**37.9%**	**534**	**187**	**347**	**185.6%**
Financial performance before revenue and government funding	**$ 154,588**	**$ 146,570**	**$ 8,018**	**5.5%**	**$ 304,838**	**$ 287,923**	**$ 16,915**	**5.9%**
Revenue	**$ 791**	**$ 133**	**$ 658**	**494.7%**	**1,430**	**250**	**$ 1,180**	**472.0%**
Government funding								
Parliamentary appropriations for operating expenses	$ 137,441	$ 131,521	$ 5,920	4.5%	$ 270,564	$ 255,562	$ 15,002	5.9%
Amortization of deferred government funding related to capital expenditures	14,320	14,018	302	2.2%	27,806	28,261	(455)	(1.6%)
Total government funding	**$ 151,761**	**$ 145,539**	**$ 6,222**	**4.3%**	**$ 298,370**	**$ 283,823**	**$ 14,547**	**5.1%**
Financial performance	**$ (2,036)**	**$ (898)**	**$ (1,138)**	**126.7%**	**$ (5,038)**	**$ (3,850)**	**$ (1,188)**	**30.9%**
Other comprehensive income (loss)	**$ (7,432)**	**$ -**	**$ (7,432)**	**-**	**$ 3,208**	**$ -**	**$ 3,208**	**-**
Total comprehensive loss	**$ (9,468)**	**$ (898)**	**$ (8,570)**	**954.3%**	**$ (1,830)**	**$ (3,850)**	**$ 2,020**	**(52.5%)**

[1] The Statement of Comprehensive Income presents operating expenses by program activity, whereas operating expenses above are presented by major expense category, as disclosed in note 10 of the unaudited condensed interim financial statements for the three and six months ended September 30, 2015.

Screening services and other related costs

Screening services and other related costs increased by $7,639 (7.4%) and by $18,389 (9.3%) for the three and six months ended September 30, 2015, respectively, compared to the same periods in 2014. This is mainly attributable to an increase in the screening hours purchased for NPS and PBS, coupled with annual contractual increases in screening contractor billing rates.

As part of the Enhanced NPS program, CATSA commenced screening of vehicles entering restricted areas of the aerodrome at Canada's highest risk airports in November 2014. The increase in screening hours purchased for NPS is largely driven by the continued implementation of this program.

Screening hours purchased for PBS increased primarily to accommodate passenger growth. The incremental funding received from the Government of Canada allowed CATSA to manage increased passenger volumes while maintaining wait time service levels at Canada's busiest airports comparable to the prior year. In addition, supplemental PBS screening hours were purchased by the Greater Toronto Airport Authority as part of the trial agreement.

Program support and corporate services

Program support and corporate services increased by $1,282 (7.2%) and by $1,212 (3.2%) for the three and six months ended September 30, 2015, respectively, compared to the same periods in 2014. The increase was primarily due to higher current benefit costs associated with CATSA's post-employment benefit plans, which are attributable to a year-over-year decrease in the discount rate of 75-basis points. The increase is also attributable to severance costs incurred as a result of workforce reductions as part of the Strategic Operating Review. The increases were partially offset by a lower number of staffed positions.

Equipment operating and maintenance

Equipment operating and maintenance costs decreased by $1,345 (11.2%) and by $2,371 (10.0%) for the three and six months ended September 30, 2015, respectively, compared to the same periods in 2014. The decrease is primarily due to lower training requirements for equipment maintenance providers in support of CATSA's capital deployment plan, in-sourcing of BPSS equipment maintenance from a third party vendor, and lower spare parts costs. The decrease is partially offset by higher costs for equipment maintenance contracts denominated in United States dollars, with the weakening of the Canadian dollar in comparison to the prior year.

Total other expenses

Total other expenses increased by $103 (37.9%) and by $347 (185.6%) for the three and six months ended September 30, 2015, respectively, compared to the same periods in 2014. The increase is due to higher: foreign exchange losses; impairment charges for property and equipment that are no longer in use; and losses on disposals of assets. This increase is partially offset by a decrease in the write-off of intangible assets.

Revenue

Revenue increased by $658 (494.7%) and by $1,180 (472.0%) for the three and six months ended September 30, 2015, respectively, compared to the same periods in 2014. The increase is primarily due to the revenue generated from the trial agreement with the Greater Toronto Airport Authority for supplemental screening services, which commenced in October 2014.

Parliamentary appropriations for operating expenses

Parliamentary appropriations for operating expenses increased by $5,920 (4.5%) and by $15,002 (5.9%) for the three and six months ended September 30, 2015, respectively, compared to the same periods in 2014. The increase is primarily due to increased spending for screening services and other related costs, as previously discussed.

Other comprehensive income (loss)

Other comprehensive income (loss) is composed of quarterly non-cash remeasurements resulting from changes in actuarial assumptions and the return on pension plan assets. Other comprehensive loss increased by $7,432 for the three months ended September 30, 2015, compared to the same period in 2014. The increase is due to a remeasurement loss resulting from a lower return on plan assets than the rate used in CATSA's assumptions. The discount rate did not change during the second quarter.

Other comprehensive income increased by $3,208 for the six months ended September 30, 2015, compared to the same period in 2014. The increase is due to a remeasurement gain on the defined benefit liability arising from an increase in the discount rate of 0.50% since March 31, 2015, which was partially offset by a remeasurement loss resulting from a lower return on plan assets than the rate used in CATSA's assumptions.

For more information, refer to note 9 of the condensed interim financial statements.

STATEMENT OF FINANCIAL POSITION

The following section provides information on key variances within the Condensed Interim Statement of Financial Position as at September 30, 2015, compared to March 31, 2015.

Key Financial Highlights - Condensed Interim Statement of Financial Position (Thousands of Canadian dollars)	**September 30, 2015** (unaudited)	**March 31, 2015** (audited)	$ Change	% Change
Current assets	$ 117,617	$ 123,123	$ (5,506)	(4.5%)
Non-current assets	327,150	326,723	427	0.1%
Total assets	**$ 444,767**	**$ 449,846**	**$ (5,079)**	**(1.1%)**
Current liabilities	$ 116,953	$ 121,623	$ (4,670)	(3.8%)
Non-current liabilities	338,532	337,111	1,421	0.4%
Total liabilities	**$ 455,485**	**$ 458,734**	**$ (3,249)**	**(0.7%)**

Assets

Current assets decreased by $5,506 (4.5%) primarily due to the following:

- Decrease in cash of $2,413 primarily due to the timing of disbursements to suppliers for goods and services;
- Decrease in inventory of $1,539 primarily due to usage exceeding purchases of uniforms, RAIC cards and spare parts; and
- Decrease in prepaids of $1,315 due to the amortization of annual insurance premiums and annual maintenance and support services.

Non-current assets increased by $427 (0.1%) primarily due to the following:

- Increase in property and equipment and intangible assets of $2,564 primarily due to the acquisition and installation of property and equipment and intangible assets of $30,376, partially offset by depreciation and amortization of $27,392; and

- Decrease in employee benefits of $2,137 due to current benefit costs exceeding contributions by $3,039, offset by the remeasurement of CATSA's defined benefit pension plans (consisting of the registered pension plan and the supplementary retirement plan which are both in a net asset position) by $902, as previously described in the Analysis of Financial Results for Other Comprehensive Income (Loss).

Liabilities

Current liabilities decreased by $4,670 (3.8%) primarily due to the following:

- Decrease in deferred government funding related to operating expenditures of $2,854 due to a reduction in inventories and prepaid expenses balances; and
- Decrease in trade and other payables of $1,481 due to the timing of disbursements associated with obligations outstanding with suppliers.

Non-current liabilities increased by $1,421 (0.4%) primarily due to the following:

- Decrease in employee benefits of $1,006 due to the remeasurement of CATSA's other defined benefits plan by $2,306, as previously described in the Analysis of Financial Results for Other Comprehensive Income (Loss), offset by current benefit costs exceeding contributions by $1,300; and
- Increase in deferred government funding related to capital expenditures by $2,564 due to parliamentary appropriations earned of $30,370, exceeding amortization of $27,806.

FINANCIAL PERFORMANCE AGAINST CORPORATE PLAN

CATSA's *Summary of the 2015/16 – 2019/20 Corporate Plan* has not been tabled in Parliament at the time of publishing. Until it is tabled in Parliament and made public, CATSA will not be in a position to provide an explanation of significant differences between its financial results compared to those anticipated in its *Summary of the 2015/16 – 2019/20 Corporate Plan*.

PARLIAMENTARY APPROPRIATIONS USED

CATSA's operations are funded by parliamentary appropriations from the Government of Canada. The amount of parliamentary appropriations used is reported on a near-cash accrual basis of accounting. Accordingly, the table below serves to reconcile financial performance reported under IFRS and operating appropriations used:

Reconciliation of Financial Performance to Operating Appropriations Used	Three Months Ended September 30		Six Months Ended September 30	
	2015	2014	2015	2014
(Thousands of Canadian dollars)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Financial performance before revenue and government funding	$ 154,588	$ 146,570	$ 304,838	$ 287,923
Revenue	(791)	(133)	(1,430)	(250)
Financial performance before government funding	153,797	146,437	303,408	287,673
Non-cash expenses				
Depreciation and amortization	(14,144)	(13,805)	(27,392)	(28,054)
Employee benefits expense [1]	(2,195)	(1,307)	(4,368)	(3,144)
Employee cost accruals [2]	90	347	(807)	(830)
Impairment of property and equipment	(61)	-	(292)	-
Loss on property and equipment	(105)	(65)	(109)	(48)
Spare parts expense funded from capital [3]	(10)	-	(13)	-
Deferred lease incentives [4]	69	62	137	124
Write-off of intangible assets	-	(148)	-	(148)
Parliamentary appropriations for operating expenses	**$ 137,441**	**$ 131,521**	**$ 270,564**	**$ 255,573**
Other items affecting funding				
Net change in prepaids and inventories [5]	(1,364)	(1,411)	(2,854)	(2,976)
Total operating appropriations used	**$ 136,077**	**$ 130,110**	**$ 267,710**	**$ 252,597**

[1] Employee benefits are accounted for in the Condensed Interim Statement of Comprehensive Income in accordance with IFRS. The reconciling item above represents the difference between cash payments for employee benefits and the accounting expense under IFRS.

[2] Employee cost accruals are accounting expenses to record variable pay and accrued vacation expenses incurred to September 30, 2015. These costs are funded by appropriations at year-end, creating a reconciling item during interim periods.

[3] Spare parts expense funded from capital represents items that were funded from capital appropriations in prior years but were used as spare parts and expensed during the current year, creating a reconciling item.

[4] Deferred lease incentives are non-cash accounting adjustments to record the benefit derived from favourable lease terms, including significantly reduced rent and free common area costs. Rental costs are funded by appropriations when paid, creating a reconciling item.

[5] Prepaids and inventories are expensed as the benefit is derived from the asset by CATSA. They are funded by appropriations when purchased, creating a reconciling item.

The table below serves to reconcile capital asset acquisitions reported under IFRS and capital appropriations used:

Reconciliation of Capital Acquisitions to Capital Appropriations Used	Three Months Ended September 30		Six Months Ended September 30	
	2015	2014	2015	2014
(Thousands of Canadian dollars)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Explosives Detection System	$ 18,603	$ 13,131	$ 29,262	$ 21,876
Non-Explosives Detection System	861	341	1,114	376
Total capital asset acquisitions	**$ 19,464**	**$ 13,472**	**$ 30,376**	**$ 22,252**
Proceeds on disposal of property and equipment[1]	(6)	(2)	(6)	(23)
Total capital appropriations used	**$ 19,458**	**$ 13,470**	**$ 30,370**	**$ 22,229**

[1] Proceeds on disposal of property and equipment consists of non-cash proceeds received in the credit notes from suppliers.

STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 – *Interim Financial Reporting*, and for such internal controls as management determines are necessary to enable the preparation of condensed interim financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the condensed interim financial statements.

Based on our knowledge, these unaudited condensed interim financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of CATSA, as at the date of and for the periods presented in the condensed interim financial statements.

Angus Watt
President and Chief Executive Officer
Ottawa, Canada

November 25, 2015

Andie Andreou, CPA, CA
Vice-President and Chief Financial Officer
Ottawa, Canada

November 25, 2015

Condensed Interim Financial Statements of

CANADIAN AIR TRANSPORT SECURITY AUTHORITY

Three and six months ended September 30, 2015 and 2014

(Unaudited)

CANADIAN AIR TRANSPORT SECURITY AUTHORITY

Condensed Interim Statement of Financial Position
(Unaudited)

(In thousands of Canadian dollars)

	September 30, 2015	March 31, 2015
Assets		
Current assets		
Cash	$ 5,568	$ 7,981
Trade and other receivables (note 3)	94,058	94,297
Inventories (note 4)	16,441	17,980
Prepaid expenses	1,550	2,865
	117,617	123,123
Non-current assets		
Employee benefits (note 9)	10,018	12,155
Property and equipment (note 5)	315,207	311,784
Intangible assets (note 6)	1,925	2,784
	327,150	326,723
	$ 444,767	$ 449,846
Liabilities and Equity		
Current liabilities		
Trade and other payables	$ 98,962	$ 100,443
Provisions (note 7)	-	335
Deferred government funding related to operating expenses (note 8)	17,991	20,845
	116,953	121,623
Non-current liabilities		
Deferred lease incentives	661	798
Deferred government funding related to capital expenditures (note 8)	317,132	314,568
Employee benefits (note 9)	20,739	21,745
	338,532	337,111
Equity		
Accumulated deficit	(10,718)	(8,888)
	$ 444,767	$ 449,846

Contractual arrangements (note 13) and contingencies (note 7).

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

CANADIAN AIR TRANSPORT SECURITY AUTHORITY

Condensed Interim Statement of Comprehensive Income
(Unaudited)

(In thousands of Canadian dollars)

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Expenses				
Pre-Board Screening	$ 84,120	$ 81,221	$ 166,391	$ 159,655
Hold Baggage Screening	37,802	35,531	73,621	71,407
Non-Passenger Screening	21,355	18,198	42,400	33,565
Restricted Area Identity Card Program	742	978	1,355	1,715
Corporate services	10,194	10,370	20,537	21,394
Total expenses (note 10)	154,213	146,298	304,304	287,736
Other expenses (income)				
Impairment of property and equipment (note 5)	61	-	292	-
Foreign exchange loss (gain)	208	59	131	(10)
Loss on property and equipment (note 5)	105	65	109	48
Finance cost	1	-	2	1
Write-off of intangible assets (note 6)	-	148	-	148
Total other expenses (income)	375	272	534	187
Financial performance before revenue and government funding	154,588	146,570	304,838	287,923
Revenue				
Supplemental screening services	611	-	1,070	-
Finance income	112	133	216	250
Miscellaneous income	68	-	144	-
Total revenue	791	133	1,430	250
Government funding				
Parliamentary appropriations for operating expenses (note 8)	137,441	131,521	270,564	255,562
Amortization of deferred government funding related to capital expenditures (note 8)	14,320	14,018	27,806	28,261
Total government funding	151,761	145,539	298,370	283,823
Financial performance	$ (2,036)	$ (898)	$ (5,038)	$ (3,850)
Other comprehensive income (loss)				
Item that will not be reclassified to financial performance				
Remeasurement of defined benefit plans (note 9)	(7,432)	-	3,208	-
Total comprehensive income (loss)	$ (9,468)	$ (898)	$ (1,830)	$ (3,850)

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

CANADIAN AIR TRANSPORT SECURITY AUTHORITY

Condensed Interim Statement of Changes in Equity
(Unaudited)

(In thousands of Canadian dollars)

For the three months ended September 30:

		Accumulated deficit
Balance, June 30, 2015	$	(1,250)
Financial performance		(2,036)
Item that will not be reclassified to financial performance		
Remeasurement of defined benefit plans (note 9)		(7,432)
Balance, September 30, 2015	$	(10,718)
Balance, June 30, 2014	$	(12,082)
Financial performance		(898)
Balance, September 30, 2014	$	(12,980)

For the six months ended September 30:

		Accumulated deficit
Balance, March 31, 2015	$	(8,888)
Financial performance		(5,038)
Item that will not be reclassified to financial performance		
Remeasurement of defined benefit plans (note 9)		3,208
Balance, September 30, 2015	$	(10,718)
Balance, March 31, 2014	$	(9,130)
Financial performance		(3,850)
Balance, September 30, 2014	$	(12,980)

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

CANADIAN AIR TRANSPORT SECURITY AUTHORITY

Condensed Interim Statement of Cash Flows
(Unaudited)

(In thousands of Canadian dollars)

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Cash flows provided by (used in)				
Operating activities				
Financial performance	$ (2,036)	$ (898)	$ (5,038)	$ (3,850)
Items not involving cash				
Depreciation of property and equipment (note 5 and 10)	13,729	13,022	26,533	26,370
Increase in net employee benefits liability (note 15)	2,178	1,307	4,339	3,144
Amortization of intangible assets (note 6 and 10)	415	783	859	1,684
Impairment of property and equipment (note 5)	61	-	292	-
Loss on property and equipment (note 5)	105	65	109	48
Other non-cash transactions (note 15)	10	-	13	-
Write-off of intangible assets (note 6)	-	148	-	148
Amortization of deferred government funding related to capital expenditures (note 8)	(14,320)	(14,018)	(27,806)	(28,261)
Decrease in deferred lease incentives	(69)	(62)	(137)	(124)
Net change in non-cash working capital balances (note 15)	(14,951)	(22,802)	(3,269)	9,935
	(14,878)	(22,455)	(4,105)	9,094
Investing activities				
Parliamentary appropriations received for capital funding	13,800	13,239	34,800	52,239
Purchase of property and equipment	(12,297)	(22,562)	(33,096)	(63,362)
Purchase of intangible assets	-	(21)	(12)	(33)
	1,503	(9,344)	1,692	(11,156)
Decrease in cash	(13,375)	(31,799)	(2,413)	(2,062)
Cash, beginning of period	18,943	35,928	7,981	6,191
Cash, end of period	$ 5,568	$ 4,129	$ 5,568	$ 4,129

Supplementary cash flow information (note 15)

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

1. Corporate information

CATSA is a Crown corporation listed under Part I, Schedule III of the *Financial Administration Act* and is an agent of Her Majesty in right of Canada. CATSA is responsible for securing specific elements of the air transportation system, from passenger and baggage screening to screening airport workers.

CATSA is funded by parliamentary appropriations and accountable to Parliament through the Minister of Transport. With the support of Transport Canada, CATSA also entered into a trial agreement with the Greater Toronto Airports Authority for the provision of supplemental screening services effective October 5, 2014.

These condensed interim financial statements have been authorized for issuance by the Board of Directors on November 25, 2015.

2. Summary of significant accounting policies

(a) Basis of preparation

The condensed interim financial statements have been prepared in accordance with Section 131.1 of the *Financial Administration Act* and International Accounting Standards 34 *Interim Financial Reporting* (IAS 34).

Section 131.1 of the *Financial Administration Act* requires that most parent Crown corporations prepare and make public quarterly financial reports in compliance with the Treasury Board of Canada Secretariat's *Standard on Quarterly Financial Reports for Crown Corporations*. These condensed interim financial statements have not been audited or reviewed by CATSA's external auditor.

As permitted by IAS 34, these interim financial statements are presented on a condensed basis and therefore do not include all necessary disclosures to conform, in all material respects, with IFRS disclosure requirements applicable to annual financial statements. These condensed interim financial statements are intended to provide an update on the latest complete set of audited annual financial statements for the year ended March 31, 2015. Accordingly, they should be read in conjunction with the audited annual financial statements for the year ended March 31, 2015, and the narrative discussion included within the Quarterly Financial Report for the three and six months ended September 30, 2015.

Significant accounting policies used in these condensed interim financial statements are disclosed in note 3 of CATSA's audited annual financial statements for the year ended March 31, 2015, except for the application of the new and revised standards effective April 1, 2015 as described in note 2(b) below, and the following revenue policy related to supplemental screening services.

Revenue

Supplemental screening services revenue is recognized in financial performance when the screening services are provided, CATSA has no remaining obligations, and when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to CATSA. Revenue is measured at the fair value of consideration received or receivable.

(b) Adoption of new and revised International Financial Reporting Standards

The following amendment and annual improvements, issued by the International Accounting Standards Board (IASB), were adopted by CATSA effective April 1, 2015. The adoption of the amendment and annual improvements had no impact on the condensed interim financial statements as at and for the six months ended September 30, 2015.

(i) *Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)*

IAS 19 was amended in November 2013 to clarify how contributions from employees linked to service should be attributed to periods of service. These amendments are effective for annual reporting periods beginning on or after July 1, 2014, on a retrospective basis.

(ii) *Annual Improvements to IFRSs: 2010-2012 Cycle and 2011-2013 Cycle*

The Annual Improvements to IFRSs 2010-2012 Cycle and the Annual Improvements to IFRSs 2011-2013 Cycle were issued in December 2013. These improvements include amendments to various IFRSs which are effective for annual reporting periods beginning on or after July 1, 2014, on a retrospective basis.

(In thousands of Canadian dollars)

3. Trade and other receivables

Trade and other receivables are comprised of:

	September 30, 2015	March 31, 2015
Parliamentary appropriations	$ 80,080	$ 77,634
GST and HST recoverable	11,766	14,438
PST recoverable	1,525	1,922
Supplemental screening services	610	301
Other	77	2
	$ 94,058	$ 94,297

The receivable related to the provision of supplemental screening services to the Greater Toronto Airport Authority of $301 as at March 31, 2015 has been reclassified from Other to Supplemental screening services in the table above. These receivables are classified into the category of loans and receivables. They are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest rate method.

4. Inventories

Inventories are comprised of:

	September 30, 2015	March 31, 2015
Spare parts	$ 15,779	$ 16,407
RAIC	482	855
Uniforms	180	718
	$ 16,441	$ 17,980

(In thousands of Canadian dollars)

5. Property and equipment

A reconciliation of property and equipment is as follows:

	PBS equipment	HBS equipment	NPS equipment	RAIC equipment	Computers, integrated software and electronic equipment	Office furniture and equip-ment	Leasehold improve-ments	Work-in-progress	Total
Cost									
Balance, March 31, 2015	$ 124,747	$ 656,986	$ 9,548	$ 4,387	$ 25,811	$ 95	$ 10,221	$ 112,217	$ 944,012
Additions	9	2,181	1	494	67	-	-	27,624	30,376
Disposals	(2,659)	(25,322)	(113)	(11)	-	-	-	-	(28,105)
Write-offs	(11)	(2,921)	-	(16)	(134)	-	-	-	(3,082)
Impairments	(159)	(93)	-	-	(856)	-	-	-	(1,108)
Reclassifications	(4,035)	57,016	5,644	1,199	307	-	-	(60,131)	-
Balance, September 30, 2015	$ 117,892	$ 687,847	$ 15,080	$ 6,053	$ 25,195	$ 95	$ 10,221	$ 79,710	$ 942,093
Accumulated depreciation									
Balance, March 31, 2015	$ 70,966	$ 523,774	$ 3,659	$ 3,582	$ 21,150	$ 95	$ 9,002	$ -	$ 632,228
Depreciation	4,501	19,667	1,022	299	817	-	227	-	26,533
Disposals	(2,587)	(25,292)	(114)	(10)	-	-	-	-	(28,003)
Write-offs	(8)	(2,897)	-	(18)	(133)	-	-	-	(3,056)
Impairments	(99)	(43)	-	-	(674)	-	-	-	(816)
Reclassifications	(2,831)	-	2,831	-	-	-	-	-	-
Balance, September 30, 2015	$ 69,942	$ 515,209	$ 7,398	$ 3,853	$ 21,160	$ 95	$ 9,229	$ -	$ 626,886
Carrying amounts									
As at March 31, 2015	$ 53,781	$ 133,212	$ 5,889	$ 805	$ 4,661	$ -	$ 1,219	$ 112,217	$ 311,784
As at September 30, 2015	$ 47,950	$ 172,638	$ 7,682	$ 2,200	$ 4,035	$ -	$ 992	$ 79,710	$ 315,207

(In thousands of Canadian dollars)

6. Intangible assets

A reconciliation of intangible assets is as follows:

	Externally acquired software	Internally developed software	Under development	Total
Cost				
Balance, March 31, 2015	$ 3,807	$ 18,840	$ -	$ 22,647
Write-offs	(149)	-	-	(149)
Balance, September 30, 2015	$ 3,658	$ 18,840	$ -	$ 22,498
Accumulated amortization				
Balance, March 31, 2015	$ 3,000	$ 16,863	$ -	$ 19,863
Amortization	228	631	-	859
Write-offs	(149)	-	-	(149)
Balance, September 30, 2015	$ 3,079	$ 17,494	$ -	$ 20,573
Carrying amounts				
At March 31, 2015	$ 807	$ 1,977	$ -	$ 2,784
At September 30, 2015	$ 579	$ 1,346	$ -	$ 1,925

(In thousands of Canadian dollars)

7. Provisions and contingencies

(a) Provisions

A reconciliation of provisions is as follows:

	September 30, 2015	March 31, 2015
Balance, beginning of period	$ 335	$ -
Provisions made in the period	-	335
Amounts used	(90)	-
Provisions released in the period	(245)	-
Balance, end of period	$ -	$ 335

Management records provisions for disputed claims from various parties requesting monetary compensation if, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle a present legal or constructive obligation, and the obligation can be estimated reliably. The provision recorded as at March 31, 2015 was established by management for a legal dispute with a third party. The amount was determined by taking into account legal assessments and information available at that time. It was classified as current and the expected future cash flows were not discounted, as the timing of cash outflows associated with the claim was expected to be within 12 months. During the three months ended September 30, 2015, the claim was settled for $90 and the remaining provision was released.

(b) Contingencies

CATSA's contingent liabilities consist of claims and legal proceedings and decommissioning costs for which no provision is recorded.

(i) Claims and legal proceedings

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims for which an outflow of resources is not probable or cannot be reliably measured are considered to be contingencies and are not recorded in CATSA's financial statements.

(In thousands of Canadian dollars)

As at September 30, 2015, there was one significant legal claim outstanding against CATSA for which no provision was recorded. For a description of this legal claim, refer to note 18(a) of the audited annual financial statements for the year ended March 31, 2015. There have been no material changes to this legal claim during the three and six months ended September 30, 2015.

(ii) Decommissioning costs

During the three and six months ended September 30, 2015, there have been no material changes to the contingencies related to decommissioning costs. For a description of CATSA's decommissioning liabilities, refer to note 18(b) of the audited annual financial statements for the year ended March 31, 2015.

8. Deferred government funding

A reconciliation of the deferred government funding liability is as follows:

	September 30, 2015	March 31, 2015
Deferred government funding related to operating expenses		
Balance, beginning of period	$ 20,845	$ 19,953
Parliamentary appropriations used to finance operating expenses	267,710	543,834
Parliamentary appropriations recognized as government funding for operating expenses	(270,564)	(542,942)
Balance, end of period	$ 17,991	$ 20,845
Deferred government funding related to capital expenditures		
Balance, beginning of period	$ 314,568	$ 292,797
Parliamentary appropriations used to finance capital expenditures	30,370	76,800
Amortization of deferred government funding related to capital expenditures	(27,806)	(55,029)
Balance, end of period	$ 317,132	$ 314,568
Total deferred government funding, end of period	$ 335,123	$ 335,413

For more information on government funding, refer to note 11.

(In thousands of Canadian dollars)

9. Employee benefits

(a) Net employee benefits liability

The following provides a reconciliation between the surplus or deficit of the defined benefit pension plans to the net employee benefits liability presented in the Statement of Financial Position:

	September 30, 2015	March 31, 2015
Employee benefits asset		
Registered pension plan (RPP)	$ 8,488	$ 10,585
Supplementary retirement plan (SRP)	1,530	1,570
	10,018	12,155
Employee benefits liability		
Other defined benefits plan (ODBP)	(20,739)	(21,745)
	(20,739)	(21,745)
Employee benefits - net liability	$ (10,721)	$ (9,590)

(In thousands of Canadian dollars)

(b) Employee benefits costs

The elements of employee benefits costs are:

	For the three months ended September 30					
	RPP		SRP		ODBP	
	2015	2014	2015	2014	2015	2014
Defined benefit cost recognized in financial performance						
Current service cost	$ 2,657	$ 2,078	$ 38	$ 49	$ 461	$ 351
Administration costs	77	78	4	5	-	-
Net interest on the net defined benefit asset or liability	(40)	(34)	(15)	(16)	235	206
Defined benefit cost	$ 2,694	$ 2,122	$ 27	$ 38	$ 696	$ 557
Remeasurement of defined benefit plans recognized in other comprehensive income						
Return on plan assets excluding interest income	$ (7,172)	$ -	$ (260)	$ -	$ -	$ -
Remeasurement of defined benefit plans	$ (7,172)	$ -	$ (260)	$ -	$ -	$ -

There was no actuarial gain (loss) recorded for the three months ended September 30, 2015, as the discount rate did not change from June 30, 2015.

(In thousands of Canadian dollars)

The elements of employee benefits costs are:

	For the six months ended September 30					
	RPP		SRP		ODBP	
	2015	2014	2015	2014	2015	2014
Defined benefit cost recognized in financial performance						
Current service cost	$ 5,314	$ 4,157	$ 76	$ 98	$ 922	$ 702
Administration costs	154	156	8	10	-	-
Net interest on the net defined benefit asset or liability	(80)	(68)	(30)	(32)	470	413
Defined benefit cost	$ 5,388	$ 4,245	$ 54	$ 76	$ 1,392	$ 1,115
Remeasurement of defined benefit plans recognized in other comprehensive income or loss						
Return on plan assets excluding interest income	$ (14,060)	$ -	$ (378)	$ -	$ -	$ -
Actuarial gains	14,955	-	385	-	2,306	-
Remeasurement of defined benefit plans	$ 895	$ -	$ 7	$ -	$ 2,306	$ -

For the three and six months ended September 30, 2015, CATSA recognized an expense of $26 (2014 - $14) and $45 (2014 - $28), respectively, in relation to the defined contribution component of the RPP.

(c) Significant actuarial assumptions

The defined benefit pension plans’ assumptions are assessed and revised as appropriate at each reporting period. This typically includes adjusting the discount rates throughout the reporting periods, and adjusting for the actual rate of return on the plan assets above or below the rate used in CATSA’s assumptions.

For the three months ended September 30, 2015, other comprehensive loss of $7,432 resulted from a lower actual return on plan assets than the rate used in CATSA’s assumptions (4.73% lower for the RPP and 4.52% lower for the SRP). The discount rate did not change during the second quarter.

For the six months ended September 30, 2015, other comprehensive income of $3,208 was due to a remeasurement gain on the defined benefit liability arising from an increase in the discount rate of 50 basis points (from 4.00% at March 31, 2015 to 4.50% at September 30, 2015). This was partially offset by lower actual returns on plan assets than the rate used in CATSA’s assumptions (8.90% lower for the RPP and 6.50% lower for the SRP).

(In thousands of Canadian dollars)

(d) Employer contributions

Employer contributions paid to the defined benefit pension plans for the three and six months ended September 30 are as follows:

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Employer contributions				
RPP	$ 1,186	$ 1,366	$ 2,396	$ 2,204
SRP	7	1	7	1
ODBP	46	43	92	87
	$ 1,239	$ 1,410	$ 2,495	$ 2,292

Total employer contributions to the defined benefit pension plans are estimated to be $3,653 for the year ending March 31, 2016.

(In thousands of Canadian dollars)

10. Expenses

The Statement of Comprehensive Income presents operating expenses by program activity. The following table presents operating expenses by major expense type for the three and six months ended September 30:

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Screening services and other related costs				
Payments to screening contractors	$ 108,843	$ 101,213	$ 214,175	$ 195,246
Uniforms and other screening costs	1,018	929	2,095	2,246
Trace and consumables	372	452	592	981
	110,233	102,594	216,862	198,473
Equipment operating and maintenance				
Equipment maintenance and spare parts	10,511	11,585	20,789	22,216
RAIC	195	330	373	461
Training and certification	9	145	112	968
	10,715	12,060	21,274	23,645
Program support and corporate services				
Employee costs	14,597	13,279	29,670	28,626
Operating leases	1,602	1,549	3,188	2,850
Office and computer expenses	1,025	1,023	1,940	2,045
Professional services and other business related costs	924	765	1,911	1,815
Other administrative costs	738	925	1,684	1,771
Communications and public awareness	235	298	383	457
	19,121	17,839	38,776	37,564
Depreciation and amortization				
Depreciation of property and equipment	13,729	13,022	26,533	26,370
Amortization of intangible assets	415	783	859	1,684
	14,144	13,805	27,392	28,054
	$ 154,213	$ 146,298	$ 304,304	$ 287,736

Other business-related costs include travel expenses, conference fees, membership and association fees, and meeting expenses. Other administrative costs include insurance, network and telephone expenses, and facilities maintenance.

(In thousands of Canadian dollars)

11. Government funding

CATSA's *Summary of the 2015/16 – 2019/20 Corporate Plan* has not yet been tabled in Parliament and, therefore, the total amount of parliamentary appropriations available for the current year is not yet public. As a result, disclosure of parliamentary appropriations approved compared to parliamentary appropriations used has not been provided.

The following table reconciles parliamentary appropriations for operating expenses that were received and receivable, to the amount of appropriations used during the three and six months ended September 30:

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Parliamentary appropriations received and receivable	$ 141,726	$ 151,387	$ 329,619	$ 310,065
Amounts received and receivable related to prior year	(5,834)	(22,925)	(59,834)	(55,438)
Amounts to be billed (used) in future periods	185	1,648	(2,075)	(2,030)
Parliamentary appropriations used to finance operating expenses	$ 136,077	$ 130,110	$ 267,710	$ 252,597

Parliamentary appropriations to be billed (used) in future periods are a result of lower (higher) forecasted expenditures than actual operating expenditures. These amounts are expected to be billed (used) and recognized in financial performance within the next fiscal quarter.

The following table reconciles parliamentary appropriations related to capital expenditures that were received and receivable, to the amount of appropriations used during the three and six months ended September 30:

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Parliamentary appropriations received and receivable	$ 21,629	$ 20,270	$ 59,521	$ 72,207
Amounts received and receivable related to prior year	(6,800)	(10,998)	(17,800)	(41,239)
Amounts to be billed (used) in future periods	4,629	4,198	(11,351)	(8,739)
Parliamentary appropriations used to finance capital expenditures	$ 19,458	$ 13,470	$ 30,370	$ 22,229

(In thousands of Canadian dollars)

Parliamentary appropriations to be billed (used) in future periods are a result of lower (higher) forecasted expenditures than actual capital expenditures. These amounts are expected to be billed (used) and recorded within the next fiscal quarter.

12. Fair values and risks arising from financial instruments

Fair values of financial instruments

The fair values of cash, receivables related to supplemental screening services, and trade and other payables approximate their carrying value due to the current nature of these instruments.

Financial risk factors

CATSA's activities are exposed to a variety of financial risks: market risk, liquidity risk and credit risk.

(a) 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. CATSA's key market risk relates to currency risk, which is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Currency risk arises from trade and other payables denominated in a currency other than the Canadian dollar, which is the functional currency of CATSA.

The following table provides the total foreign currency exposure related to amounts recorded in trade and other payables as of September 30, 2015 and March 31, 2015 denominated in the United States dollar (USD) and their Canadian dollar (CAD) equivalent:

	USD	CAD
September 30, 2015	$ 1,865	$ 2,489
March 31, 2015	3,471	4,396

Assuming all other variables remain constant, a 5% depreciation or appreciation of the USD against the CAD would result in an increase or decrease in financial performance of $124 (March 31, 2015 – $220). Plans are underway to design and implement a foreign exchange hedging framework.

(In thousands of Canadian dollars)

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Liquidity risk is low since CATSA does not have debt instruments to service and receives regular funding from the Government of Canada. CATSA manages its liquidity risk by preparing and monitoring forecasts of cash flows for anticipated operating and investing activities. Also, the Board of Directors reviews and approves CATSA's operating and capital budgets.

Trade and other payables and provisions represent the maximum liquidity risk exposure for CATSA. The following table summarizes the contractual maturities of these financial liabilities:

	Less than 3 months	3 months to 1 year	Total
September 30, 2015	$ 73,930	$ 25,032	$ 98,962
March 31, 2015	$ 84,179	$ 16,599	$ 100,778

CATSA's strategy for managing liquidity risk remains unchanged from March 31, 2015.

(c) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to CATSA. As a means of mitigating risk of financial loss from defaults, CATSA has adopted a policy of only extending credit to creditworthy counterparties. CATSA's exposure and the creditworthiness of its counterparties are continuously monitored. As required, CATSA establishes an allowance for doubtful accounts that reflects the estimated impairment of receivables.

CATSA is exposed to credit risk through its supplemental screening services receivables. The maximum exposure to credit risk of CATSA at September 30, 2015 and 2014 is the carrying value of these assets.

(i) CATSA's supplemental screening services receivables are derived from the provision of services to an airport authority. CATSA does not believe that it is exposed to an unusual or significant level of credit risk. No allowance for doubtful accounts is required as at September 30, 2015.

(ii) CATSA does not have any receivables that are past due or have been determined to be impaired as at September 30, 2015.

(In thousands of Canadian dollars)

13. Contractual arrangements

(a) Non-lease arrangements

In the normal course of operations, CATSA enters into contractual arrangements for the supply of goods and services. These contractual arrangements are subject to authorized appropriations and termination rights which allow CATSA to terminate the contracts without penalty at its discretion. The most significant arrangements relate to contracts signed with screening contractors for the provision of screening services, as well as with vendors for screening equipment and related maintenance.

The following table provides the remaining pre-tax balance on these contractual arrangements:

	September 30, 2015	March 31, 2015
Operating	$ 912,630	$ 1,134,698
Capital	173,712	194,202
Total	$ 1,086,342	$ 1,328,900

(b) Lease arrangements

CATSA is committed under non-cancellable operating leases for the rental of equipment and office space. The following table provides the pre-tax minimum lease payments under the terms of these leases:

	September 30, 2015	March 31, 2015
No later than 1 year	$ 7,693	$ 7,310
Later than 1 year and no later than 5 years	22,446	23,561
Later than 5 years	10,042	12,403

CATSA's most significant non-cancellable operating lease is the lease for office space at headquarters. The lease expires on November 30, 2017 and the option to renew for five additional years was exercised. The renewal terms incorporated lease incentives not included in the original agreement, and an option to further extend the lease for an additional five years, subject to the same terms and conditions. There is no further right to extend after the expiry of the extension term and the rent during the option term will be based on the prevailing market rate at that time.

14. Related party transactions

CATSA had the following transactions with related parties for the three and six months ended September 30, 2015:

(a) Government of Canada, its agencies and other Crown corporations

CATSA is wholly owned by the Government of Canada, and is under common control with other Government of Canada departments, agencies and Crown corporations. CATSA enters into transactions with these entities in the normal course of operations. These related party transactions are based on normal trade terms applicable to all individuals and corporations.

Income from these related parties for the three and six months ended September 30, 2015 amounted to $151,761 (2014 – $145,539), and $298,370 (2014 – $283,823), respectively, which represent parliamentary appropriations for operating expenses and amortization of deferred government funding related to capital expenditures. Expenses for these related parties for the three and six months ended September 30, 2015 amounted to $3,075 (2014 – $3,103), and $6,279 (2014 – $5,819), respectively, which include $3,109 (2014 – $2,818), and $5,787 (2014 – $5,243), respectively, in non-recoverable taxes paid to fiduciaries of the Canada Revenue Agency.

As at September 30, 2015, amounts receivable from related parties were $91,846 (March 31, 2015 – $92,072). These include $11,766 (March 31, 2015 – $14,438) due from the Canada Revenue Agency for recoverable taxes paid on expenses and $80,080 (March 31, 2015 – $77,634) due from the Government of Canada for parliamentary appropriations used during the three months and not received at quarter end. As at September 30, 2015, amounts payable to related parties were $354 (March 31, 2015 – $671).

(b) Transactions with CATSA's post-employment benefit plans

Transactions with the RPP, SRP and ODBP are conducted in the normal course of business. The transactions with CATSA's post-employment benefit plans consist of contributions as determined by actuarial valuations, as disclosed in note 9. There were no other transactions during the period.

(In thousands of Canadian dollars)

15. Net change in non-cash working capital balances and supplementary cash flow information

The following table presents the net change in non-cash working capital balances for the three and six months ended September 30:

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
Increase in trade and other receivables	$ (25,181)	$ (43,492)	$ (4,191)	$ (1,052)
Decrease in inventories	417	437	1,539	1,786
Decrease in prepaid expenses	947	974	1,315	1,190
Increase in trade and other payables	10,565	20,690	1,257	10,976
Decrease in current portion of provisions	(335)	-	(335)	-
Decrease in deferred government funding related to operating expenses	(1,364)	(1,411)	(2,854)	(2,965)
	$ (14,951)	$ (22,802)	$ (3,269)	$ 9,935

Interest income received and recognized during the three and six months ended September 30, 2015 totalled $112 (2014 – $133) and $216 (2014 – $250), respectively.

Interest expense paid and expensed during the three and six months ended September 30, 2015 totalled $1 (2014 – $Nil) and $2 (2014 – $1), respectively.

For the three and six months ended September 30, 2015, the change in trade and other receivables excludes amounts of $5,658 (2014 – $231) and $4,430 (2014 – $30,010) respectively, in relation to government funding for capital expenditures, as the amount relates to investing activities.

For the three and six months ended September 30, 2015, the change in trade and other payables excludes amounts of $7,161 (2014 – $9,113) and $2,738 (2014 – $41,166), respectively, in relation to the acquisition of property and equipment and intangible assets, as the amount relates to investing activities.

For the three and six months ended September 30, 2015, the change in net employee benefits liability excludes an amount of $7,432 (2014 – $Nil) and $3,208 (2014 – $Nil), respectively, in relation to the remeasurement of defined benefit plans presented in other comprehensive income, as the amount relates to a non-cash remeasurement.

During the three and six months ended September 30, 2015, CATSA received non-cash proceeds in the form of credit notes from a supplier, totalling $6 (2014 – $2) and $6 (2014 – $23), respectively, related to the disposal of property and equipment.

During the three and six months ended September 30, 2015, non-cash transfers of spare parts from property and equipment to inventory totalled $10 (2014 – $Nil) and $13 (2014 – $Nil), respectively.