Syncordia Technologies and Healthcare Solutions, Corp.

2016 Consolidated Financial Statements
(Expressed in US dollars)

July 28, 2016

Independent Auditor's Report

To the Shareholders of
Syncordia Technologies and Healthcare Solutions, Corp.

We have audited the accompanying consolidated financial statements of Syncordia Technologies and Healthcare Solutions, Corp., which comprise the consolidated statements of financial position as at March 31, 2016 and March 31, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

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

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

PricewaterhouseCoopers LLP
18 York Street, Toronto, Ontario, Canada M5J 0B2
T: +1 416 941 8383, F: +1 416 365 8215

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Syncordia Technologies and Healthcare Solutions, Corp. as at March 31, 2016 and March 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Syncordia Technologies and Healthcare Solutions, Corp.'s ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

TABLE OF CONTENTS

Syncordia Technologies and Healthcare Solutions, Corp.
Consolidated Statements of Financial Position
As at March 31, 2016 and 2015

	March 31 2016	March 31 2015
Assets		
Current assets		
Cash and cash equivalents	4,436,844	2,842,413
Accounts receivable (notes 10 and 18)	2,226,715	1,931,076
Other assets	377,185	145,304
	7,040,744	4,918,793
Property and equipment (note 11)	338,622	168,418
Intangible assets (notes 5, 6, 7 and 12)	22,694,613	16,134,626
Goodwill (notes 5, 6, 7 and 12)	10,781,769	5,836,719
	40,855,748	27,058,556
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,584,735	1,135,379
Holdback payable (note 6)	250,000	-
Contingent consideration payable (note 9)	-	2,320,000
Current portion of notes payable (note 14)	2,222,065	-
	4,056,800	3,455,379
Notes payable (notes 7 and 14)	12,350,631	10,483,989
Deferred tax liabilities (note 16)	1,932,097	-
Other non-current liabilities	133,076	-
	18,472,604	13,939,368
Shareholders' Equity		
Share capital (note 13)	25,517,330	14,387,095
Contributed surplus (notes 13, 14 and 15)	1,963,529	1,626,593
Deficit	(6,010,506)	(2,894,500)
Equity attributable to shareholders of Syncordia	21,470,353	13,119,188
Non-controlling interests	912,791	-
	22,383,144	13,119,188
	40,855,748	27,058,556

Organization and going concern (note 1)
Commitments (note 19)

Approved by the Board of Directors

(Signed) "Michael Franks" Director (Signed) "James Eaton" Director

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

Syncordia Technologies and Healthcare Solutions, Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the year ended March 31, 2016 and 2015

	2016	2015
Revenue (note 18)	13,888,294	4,391,812
Gain on settlement of contingent consideration (note 9)	1,111,342	-
	14,999,636	4,391,812
Cost of sales (note 20)	4,112,376	1,507,654
Amortization of operating assets (notes 11 and 12)	2,792,428	962,670
	8,094,832	1,921,488
Operating expenses (notes 15 and 20)	8,098,383	3,199,442
Transaction costs (note 20)	1,946,009	821,805
Other amortization (notes 11, 12 and 14)	291,998	119,524
Loss before financing expenses and tax	(2,241,558)	(2,219,283)
Change in fair value of derivative financial liability (notes 13 and 23)	(608,987)	-
Interest expense (notes 14)	1,873,913	675,217
Net loss before tax	(3,506,484)	(2,894,500)
Income tax expense (recovery) (note 16)	(391,139)	-
Net loss and comprehensive loss for the period	(3,115,345)	(2,894,500)
Net loss and comprehensive loss attributable to:		
Shareholders of Syncordia	(3,116,006)	(2,894,500)
Non-controlling interests	661	-
Net loss per share		
Basic and diluted earnings per share	(0.17)	(0.33)
Weighted average number of shares outstanding		
Basic	18,627,314	8,869,404
Diluted	18,655,735	8,893,782

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

Syncordia Technologies and Healthcare Solutions, Corp.
Consolidated Statements of Changes in Equity
For the year ended March 31, 2016 and 2015

	Common shares	Amount	Contributed Surplus	Deficit	Non-controlling interest	Total
Balance - April 1, 2015	14,247,135	$ 14,387,095	$ 1,626,593	$ (2,894,500)	-	$ 13,119,188
Issuance of Class B Series 2 preferred shares (note 13)	1,702,500	3,405,000	-	-	-	3,405,000
Forfeiture of common shares (note 13)	(90,000)	-	-	-	-	-
Issuance of private placement (note 13)	3,334,000	8,052,460	-	-	-	8,052,460
Derivative financial liability from private placement warrants (notes 13)	-	(608,987)	-	-	-	(608,987)
Issuance of common shares on conversion of LL Capital shares (note 8)	450,000	1,246,568	-	-	-	1,246,568
Share issuance costs (note 13)		(964,806)	-	-	-	(964,806)
Warrants issued (note 14)			261,643	-	-	261,643
Share-based compensation and awards (note 15)			75,293	-	-	75,293
Acquisition of non-controlling interest (note 7)			-	-	912,130	912,130
Net loss and comprehensive loss			-	(3,116,006)	661	(3,115,345)
Balance – March 31, 2016	19,643,635	$ 25,517,330	$ 1,963,529	$ (6,010,506)	$ 912,791	$ 22,383,144

	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance - April 1, 2014	3,000,000	$ 3	$ -	$ -	$ 3
Issuance of Class A preferred shares	3,500,000	3,500,000	-	-	3,500,000
Issuance of Class B preferred shares	7,747,135	12,281,442	-	-	12,281,442
Share issuance costs	-	(1,394,350)	-	-	(1,394,350)
Warrants and options issued	-	-	1,599,069	-	1,599,069
Share-based compensation and awards			27,524		27,524
Net loss and comprehensive loss		-	-	(2,894,500)	(2,894,500)
Balance – March 31, 2015	14,247,135	$ 14,387,095	$ 1,626,593	$ (2,894,500)	$ 13,199,188

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

Syncordia Technologies and Healthcare Solutions, Corp.
Consolidated Statements of Cash Flows
For the year ended March 31, 2016 and 2015

	2016	2015
Cash provided by (used in)		
Operating activities		
Net loss for the period	(3,115,345)	(2,894,500)
Items not affecting cash		
Gain on settlement of contingent consideration (note 9)	(1,111,342)	-
Reverse Takeover transaction costs (note 8)	1,068,920	-
(Gain)/loss on derivative liability (note 23)	(608,987)	-
Income tax expense (recovery) (note 16)	(450,563)	-
Amortization	3,084,426	1,082,194
Non-cash interest on notes payable (note 14)	670,311	239,612
Share-based compensation and awards (note 15)	89,837	27,524
Changes in non-cash working capital items		
Accounts receivable	778,683	(878,900)
Other assets	(72,614)	(51,769)
Accounts payable and accrued liabilities	(234,432)	644,606
Other non-current liabilities	133,077	-
	231,973	(1,831,233)
Investing activities		
Purchase of property, equipment and intangible assets (notes 11 and 12)	(171,797)	(102,056)
Acquisition of Health Services Integration (net of cash acquired) (note 5)	-	(21,413,474)
Acquisition of Paragon (net of cash acquired) (note 6)	(3,479,929)	-
Acquisition of Billing Solutions (net of cash acquired) (note 7)	(5,858,091)	
Settlement of Paragon holdback (note 6)	(250,000)	-
Settlement of contingent consideration (note 9)	(1,208,658)	-
	(10,968,475)	(21,515,530)
Financing activities		
Issuance of Class A preferred shares	-	3,500,000
Issuance of Class B Series 2 preferred shares (note 13)	3,405,000	12,281,442
Issuance of private placement (note 13)	8,052,460	-
Cash consideration from issuance of Reverse Takeover shares (note 8)	402,605	-
Share issuance costs (note 13)	(831,560)	(867,032)
Proceeds from long-term notes (note 14)	1,332,388	12,000,000
Deferred financing costs (note 14)	(29,960)	(725,237)
	12,330,933	26,189,173
Increase/(decrease) in cash and cash equivalents during the period	1,594,431	2,842,410
Cash and cash equivalents - Beginning of period	2,842,413	3
Cash and cash equivalents - End of period	4,436,844	2,482,413
Cash interest paid	1,206,243	435,605

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

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

1. ORGANIZATION AND GOING CONCERN

Syncordia Technologies and Healthcare Solutions, Corp. ("Syncordia" or the "Company"), formerly LL Capital Corp. ("LL Capital"), was formed through the amalgamation and reverse takeover of LL Capital, a capital pool company listed on the TSX Venture Exchange, by Syncordia Technologies and Healthcare Solutions, Inc. ("Syncordia Inc.") on June 29, 2015. Syncordia Inc. was incorporated under the Canada Business Act on January 14, 2014. The Company since inception has been engaged in the process of identification, evaluation and negotiation of business acquisition opportunities in the healthcare revenue cycle management industry.

On June 29, 2015 the Company completed its qualifying transaction (the "Qualifying Transaction") by way of a three-cornered amalgamation among LL Capital, a wholly owned subsidiary of LL Capital, and Syncordia Inc. LL Capital changed its name to Syncordia Technologies and Healthcare Solutions, Corp. and at this time completed a consolidation of its share capital on a basis of one post-consolidation common share for every 20 common shares existing immediately before the consolidation. The Qualifying Transaction resulted in a reverse takeover of LL Capital by the shareholders of Syncordia Inc. (the "Reverse Takeover").

After the Qualifying Transaction, the shareholders of Syncordia Inc. held 97.7% of the shares of the amalgamated corporation, and for accounting purposes Syncordia Inc. was deemed to be the acquirer. The Qualifying Transaction constitutes a reverse takeover but does not meet the definition of a business combination under International Financial Reporting Standards ("IFRS") 3, Business Combinations; accordingly, the Company has accounted for the transaction in accordance with IFRS 2, Share-based Payments. The assets and liabilities of LL Capital have been included in the Company's consolidated balance sheet at fair value, which approximate their pre-combination carrying values.

Syncordia Technologies and Healthcare Solutions, Corp.'s shares were listed for trading on the TSX Venture Exchange under the symbol "SYN" on July 8, 2015.

The Company's principal business consists of revenue cycle management software solutions and transaction processing services to air and ground emergency medical services industries and the behavioural health industry. Effective October 31, 2014, the Company acquired 100% of the shares of Health Services Integration, Inc. ("HSI"), through Syncordia HSI Acquisition, LLC, an entity wholly owned by Syncordia Technologies and Healthcare Solutions US Inc (note 5). Effective April 24, 2015, the Company acquired 100% of the shares of Paragon Billing LLC ("Paragon") through Syncordia Paragon Acquisition, LLC, an entity wholly owned by Syncordia Technologies and Healthcare Solutions US Inc. (note 6). Effective March 22, 2016, the Company acquired 80% of the shares of Billing Solutions LLC ("Billing Solutions") through Syncordia Billing Solutions Acquisition, LLC, an entity wholly owned by Syncordia Technologies and Healthcare Solutions US Inc. (note 7).

The consolidated financial statements also reflect the consolidated financial position of Syncordia Technologies and Healthcare Solutions US Inc., and Syncordia Technologies and Healthcare Solutions Ireland Limited, both wholly owned subsidiaries of Syncordia.

Syncordia has a fiscal year-end of March 31. The head office of Syncordia is located at 95 King Street East, Suite 303, Toronto, Ontario.

Going Concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company manages its capital structure based on the funds available to it in order to support the continuation and expansion of its operations. In addition to cash flow generated by operating activities, the Company relies on debt and equity financing to execute its stated business strategy. In order to maintain or adjust its capital structure, the Company anticipates seeking additional financing through the issuance of securities such as equity, convertible debt, or by replacing existing debt with debt on terms more consistent with the Company's needs.

As at March 31, 2016, the Company had cash and cash equivalents of $4,436,844, a $1,594,431 increase from March 31, 2015 reflecting $231,973 generated by operating activities including $1,206,243 of cash paid interest on

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

the Company's senior notes, offset by $10,968,475 used in investing activities, the most significant of which was $5,858,091 representing the cash portion of the consideration to acquire an 80% interest in Billing Solutions, and $12,330,933 in cash generated from financing activities.

In addition to funding its ongoing operating requirements, capital expenditures and future acquisitions, the Company is required to make two principal repayments on the senior notes of $2,222,509 each on November 5, 2016 and May 5, 2017. The senior notes are due on November 5, 2017 and the Billing Solutions note payable of $2,000,000 plus accrued interest is due in the first quarter of fiscal 2019 assuming the full acquisition earn out targets are achieved.

The Company's operating plan anticipates that it will generate positive cash flow from operations for the twelve months ending March 31, 2017 and those cash flows along with existing cash balances should be sufficient to fund operating activities, capital expenditures, transaction costs and senior note principal payments prior to the November 2017 maturity of the senior notes. With new customer additions, operational improvements and the Billing Solutions acquisition, the Company expects to improve operating cash flows in 2017. However, the quantum and timing of cash flow from operations will be significantly influenced by the operating performance of the Company's RCM businesses, particularly in the short term as a result of: (i) securing new business to replace revenue from a significant customer which terminated service in 2016 at HSI and Billing Solutions achieving its acquisition earning targets; (ii) introducing several technology enhancements to improve operating efficiency; and (iii) continuing to implement several cost containment initiatives, particularly reducing costs per encounter within the RCM business. Accordingly, the Company continues to assess its rate of investment in Corporate and Syncordia Cloud initiatives and is evaluating several cost containment initiatives. Additionally, the Company is also evaluating the licensing or sale of certain of its intellectual property in order to raise capital. There can be no assurance that the Company will be successful in achieving these results as set out in its operating plan for each of the quarters in 2017.

There are significant risks associated with each of these plans and strategies and there can be no assurance that the steps management is taking will be successful, if not successful in many of them, cash flows will be reduced and the Company may not have sufficient cash flow or resources to make debt principal payments on its senior notes or in the worst case cover operating costs. Missing a debt payment will result in an event of default on the senior notes which the Company may not be able to rectify with renegotiated terms or alternative financing.

These circumstances may cast significant doubt as to the Company's ability to continue as a going concern, and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

The consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

2. BASIS OF PRESENTATION

These consolidated financial statements (the "Financial Statements") for the year ended March 31, 2016 were approved by Syncordia's Board of Directors on July 28, 2016. The Financial Statements, which have been prepared by management, have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

The Financial Statements are prepared on a going concern basis and have been presented in United States dollars, the Company's functional currency. The Company has consistently applied the same accounting policies throughout all years presented, unless otherwise noted, as if these policies had always been in effect.

The Company has organized its operations based on the services it offers, which is consistent with how the chief operating decision maker evaluates results of the business. The Company reports its result in three business segments, namely, Revenue Cycle Management ("RCM"), Syncordia Cloud and Corporate. The Syncordia Cloud supports the Company's intellectual property assets and conducts research and development activities. The corporate and administration support is reported as Corporate costs.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

The Financial Statements are prepared on a consolidated basis and include Syncordia and its wholly owned and controlled subsidiaries, Syncordia Inc., Syncordia Technologies and Healthcare Solutions Ireland Limited, Syncordia Technologies and Healthcare Solutions US Inc., Syncordia HSI Acquisition LLC, Health Service Integration Inc., Syncordia Paragon Acquisition LLC, Paragon Billing LLC, Syncordia Billing Solutions Acquisition, LLC, and Billing Solutions, LLC. All intercompany balances and transactions have been eliminated. On April 1, 2016, Syncordia and Syncordia Inc. amalgamated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements are prepared on a consolidated basis and include Syncordia and its wholly owned and controlled subsidiaries, Syncordia Technologies and Healthcare Solutions Ireland Limited, Syncordia Technologies and Healthcare Solutions US Inc., Syncordia HSI Acquisition LLC, Health Service Integration Inc., Syncordia Paragon Acquisition LLC, Paragon Billing LLC, as well as Syncordia Billing Solutions Acquisition, LLC and Billing Solutions, LLC. All intercompany balances and transactions have been eliminated.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents include demand deposits held with financial institutions with terms to maturity of three months or less.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization and impairment. As at the date of these financial statements, no impairments have been recorded. Amortization is recorded when the related asset is put in use. Amortization rates are determined to amortize the cost of property and equipment over their estimated useful lives as follows:

Dispatch and computer equipment	35% declining balance and 3 years straight-line
Furniture and fixtures	25% declining balance
Leasehold improvements	straight-line over term of the lease

Intangible assets

Intangible assets consist of customer relationships, intellectual property and computer software. Intangible assets are recorded at cost less accumulated amortization and impairment. Customer relationships are amortized over ten years representing management’s estimate of expected life of the underlying client portfolio. Intellectual property consisting of proprietary software is amortized over seven years on the straight-line basis representing the estimated useful life. Computer software is amortized over three years on a straight-line basis representing the estimated useful life.

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed on a business combination. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statements of loss and comprehensive loss.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Software development costs

Software development costs are capitalized as intangible assets when costs are attributable to a clearly defined product, technical feasibility has been established, a market has been identified, the Company intends to market the software and has adequate resources expected to be available to complete the project. Amortization of capitalized development costs commences when development of the software is complete and the product is ready for its intended use which is when it is available for sale to customers. In the year ended March 31, 2016, no software development costs were capitalized.

Impairment of long-lived assets, including intangible assets and goodwill

The Company assesses at least annually, or whenever an indicator of impairment exists, whether there has been an impairment loss in the carrying amount of goodwill, which is carried at cost less accumulated impairment losses, if any. Impairment losses are not reversed.

Goodwill is allocated to cash-generating units (CGUs), or a group of CGUs, that are expected to benefit from the business combination for the purpose of impairment testing. A group of CGUs represents the lowest level within the Company that is not higher than an operating segment at which goodwill is monitored for internal reporting purposes. Management has identified three segments and three CGUs for the purposes of annual goodwill and indefinite-lived intangible asset impairment testing.

Intangible assets that do not have a definite useful life are not subject to amortization and are tested annually for impairment at March 31. Other long-term tangible and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognized in the consolidated statements of loss and comprehensive loss. The recoverable amount of an asset is the higher of its fair value, less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows.

The annual impairment test of goodwill was performed as at March 31, 2016 and no impairment charges were recorded (note 12).

Deferred financing costs

Deferred financing costs arise from fees associated with acquiring notes payable and are initially recorded based on the cost incurred and subsequently measured at amortized cost. Deferred financing costs, presented on a net basis with related notes payable, are amortized using the effective interest rate method where amortization is charged to the consolidated statements of loss and comprehensive loss.

Warrants

The Company accounts for the warrants issued at fair value using the Black-Scholes pricing model or, where appropriate, a binomial model in the case of warrants with terms that result in a forced exercise by virtue of an upper limit in the exercise price. The Company applies judgment in determining the assumptions used in the warrant pricing models (notes 13 and 14). Warrants issued may be accounted for as share issuance costs, debt issuance costs or as derivative financial liabilities, rather than as equity, as required under IFRS.

Share-based compensation

The Company accounts for share-based compensation at fair value at the grant date using the Black-Scholes option pricing model. The Company applies estimates in determining the assumptions used in the Black-Scholes options pricing model (note 15).

Share issuance costs

Costs that are directly attributable to the issue of shares are included in share capital and are a reduction of total proceeds from share issuances.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Revenue recognition

For the Company's operating segments, revenue is measured at the fair value of consideration received or receivable for the gross inflow of economic benefits during the period, arising in the ordinary course of the Company's activities. The Company's principal revenue stream, RCM, relates to fees earned for transaction processing and billing services provided to customers. Revenue from transaction processing and billing services is recognized when the amount of revenue can be measured reliably, when evidence of claim acceptance and approval has been received and when it is probable that economic benefits will flow to the Company. Revenue is recorded on billing services rates prescribed in customer contracts from the reimbursing entity. The Syncordia Cloud segment earns an intercompany license fee based on a percentage of revenues earned in certain RCM operating companies. The intercompany license fees eliminate on consolidation.

Financial instruments

All financial instruments are initially recognized at fair value. Subsequent measurement depends on the nature and classification adopted for the financial instrument as follows:

	Classification	Measurement
Accounts receivable	loans and receivables	amortized cost
Other assets	loans and receivables	amortized cost
Accounts payable and accrued liabilities	financial liability	amortized cost
Contingent consideration	financial liability	fair value, level 3
Derivative financial liabilities	financial liability	fair value, level 3

Financial assets are derecognized when contractual rights to the cash flow from the assets expire. Notes payable are recognized initially at fair value and subsequently at amortized cost.

Share options plan

The Company adopted a share option plan for certain employees and directors. The Company accounts for share-based compensation options as equity settled awards. Compensation expense for share options granted to employees is measured at fair value at the grant date using the Black-Scholes option pricing model and recognized over the vesting period of the options granted.

Compensation expense related to share options granted is recorded based on the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transactions are measured at the fair value of the share options granted at the date on which the Company received these goods or the services using the Black-Scholes option pricing model.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be paid or received from tax authorities using rates enacted or substantively enacted at the dates of the consolidated statements of financial position. Deferred tax assets and liabilities are measured at the tax rates enacted or substantively enacted at the dates of the consolidated statements of financial position that are expected to apply to the period when the asset is realized or liability is settled. Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profits is probable (note 16).

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Actual results could differ from those estimates.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Such estimates and judgments have been applied and there are no known trends, commitments, events or uncertainties the Company believes will materially affect the methodology or assumptions in making these estimates and judgments in these financial statements.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Collectability of receivables

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of account receivable balances considering individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Impairment testing of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the requirements of International Accounting Standard (IAS) 36, Impairment of Assets. The recoverable amounts of CGUs have been determined based on their values in use. These calculations require the use of estimates (note 12).

Fair value of contingent consideration

In certain acquisitions, the Company may include contingent consideration, such as seller promissory notes, which are subject to the acquired company achieving certain performance targets. At each reporting the period, the Company estimates the future earnings of acquired companies which are subject to contingent consideration in order to assess the probability that the acquired company will achieve their performance targets and thus earn their contingent consideration. Any changes in the fair value of the contingent consideration between reporting periods are included in the determination of net income.

Valuation of deferred tax assets and tax provisions

In assessing the realization of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the period in which those temporary losses and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

Revenue recognition

The Company makes significant judgments in respect of when collection of revenue associated with customer billing submissions is reasonably assured. Given the uncertainty associated with customer billing claims being reimbursed, the Company recognizes revenue at the time cash is collected by customers.

Share-based compensation and warrants

The determination of fair value of share-based compensation requires management to make estimates regarding the inputs to share valuation models employed including volatility, risk free rate of return and expected option life related assumptions. These assumptions are further detailed in Notes 13, 14 and 15.

Amortization of long-lived assets

Long-lived assets require management to make a determination of the estimated useful life on the date the asset is acquired which determines the amount of amortization recorded with respect to the asset.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

4. STANDARD ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2016 and have not been applied in preparing these Financial Statements. Those which may be relevant to the Company are set out below.

IFRS 9, *Financial instruments,* addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2016. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company has not assessed the full impact of IFRS 9 and is in the process of considering its implications and the Company’s planned date of adoption.

IFRS 15, *Revenue from contracts with customers,* deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, *Revenue,* and IAS 11, *Construction contracts,* and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Company has not assessed the full impact of IFRS 15 and is in the process of considering its implications and the Company’s planned date of adoption.

IFRS 16, *Leases,* introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases for leases with terms more than twelve months, unless the underlying asset is of low value. Lessor accounting for leases as finance or operating leases will remain substantially unchanged. The IASB issued the standard in 2016, replacing IAS 17 *Leases* and related interpretations. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15 has been adopted. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In December 2014, the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, and the structure and disclosure of accounting policies. The amendments are effective from January 1, 2016.

Syncordia Technologies and Healthcare Solutions, Corp.

Notes to Consolidated Financial Statements

For the year ended March 31, 2016 and 2015

5. ACQUISITION OF HSI

The Company acquired 100% of the share capital of HSI effective October 31, 2014. The following table summarizes the total consideration, consideration paid, the fair value of assets acquired and liabilities assumed at the date of acquisition:

Base purchase price	$ 15,166,025
Amounts previously in escrow	5,836,719
Contingent consideration at date of acquisition	2,320,000
	23,322,744
Adjustments to base purchase price	843,998
Total purchase price	$ 24,166.742

Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	$ 433,268
Accounts receivable	1,052,176
Other current assets	93,534
Accounts payable and accrued liabilities	(431,410)
Property and equipment	107,602
Computer software	41,947
Customer relationships	3,032,906
Intellectual property	14,000,000
	18,330,023
Goodwill	5,836,719
	$ 24,166,742

Total consideration	$ 24,166,742
Less: cash acquired	(433,268)
Less: contingent consideration	(2,320,000)
Total	$ 21,413,474

Acquisition related costs of $724,734 were charged to transaction costs in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2015. The total amount of goodwill of $5,836,719 is calculated as the difference between the fair value of consideration transferred and the fair value of the assets acquired and liabilities assumed. Goodwill is primarily attributable to the addition of new customers and the corresponding projected future cash flows to be earned. Goodwill is not amortized for accounting purposes, however is expected to be deductible for tax purposes.

The contingent consideration required the Company to pay, in cash, to the former owners of HSI, an earn out amount based on various factors including actual annualized revenues earned by HSI during the period from January 1, 2015 to March 31, 2015. In order to determine the fair value of this amount, management estimated a range of outcomes related to revenues earned in future periods. Management estimated annualized revenue in the earn-out period to be in the range of approximately $10.3 million to $12.2 million. The amount of $2,320,000 represented the estimated fair value of contingent consideration payable to the sellers. This amount was determined based on management's estimate of HSI achieving certain performance targets in accordance with the stock purchase agreement. The amount held in escrow, then already paid by the Company as part of the purchase price was pending the earn out payment and was contingent on HSI achieving the above performance targets. This amount was put in escrow pending final determination of the ultimate payout made and was calculated based on management's best estimate of the payment to be made to the former owners of HSI. The earn out amount was settled during the year ended March 31, 2016 (note 9).

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

6. ACQUISITION OF PARAGON

Effective April 24, 2015, the Company acquired 100% of the shares of Paragon, a company previously controlled by two directors and employees of the Company, namely, the Chief Executive Officer and Chief Strategy Officer. Paragon is based in Minnesota and operates in the revenue cycle management industry, focused on behavioural mental health billing services. The following table summarizes the total consideration paid and payable, the fair value of assets acquired and liabilities assumed at the date of acquisition:

Base purchase price	$ 3,500,000
Holdback payable	500,000
Total purchase price	$ 4,000,000

Recognized amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	$ 20,071
Accounts receivable	275,514
Other current assets	10,400
Accounts payable and accrued liabilities	(39,557)
Customer relationships	300,000
Intellectual property	2,900,000
	3,466,428
Goodwill	533,572
	$ 4,000,000

Syncordia funded the Paragon acquisition through a combination of equity and external debt financing as follows, whereby equity financing proceeds exceeded the minimum required portion of the financing:

Private placement of Syncordia Class B preferred shares series 2	$ 3,405,000
Additional notes payable issued	500,000
Holdback payable	500,000
Total	$ 4,405,000

Total consideration	$ 4,000,000
Less: cash acquired	(20,071)
Less: holdback payable	(500,000)
Total	$ 3,479,929

Acquisition related costs of $206,816 were charged to transaction costs in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2016. The total amount of goodwill of $533,572 is calculated as the difference between the fair value of consideration transferred and the preliminary fair value of the assets acquired and liabilities assumed. Goodwill is primarily attributable to expected synergies and the corresponding projected future cash flows. Goodwill is not amortized for accounting purposes, however it is expected to be deductible for income tax purposes.

The holdback payable required the Company to pay to the former owners of Paragon, two payments of $250,000 in cash. The first holdback payment was due upon agreement between the Company and the former owners in respect of final closing accounts payable and accrued liabilities which was settled during the second quarter of the fiscal 2016 year. The second holdback payment was made subsequent to year-end on April 24, 2016, the one-year anniversary of the acquisition.

Revenues and cost of sales recorded in the consolidated statement of loss and comprehensive loss represent Paragon's operations since its acquisition on April 24, 2015. Paragon's revenues of $1,819,852 and net loss of $82,851 are included in the consolidated statement of loss and comprehensive loss since April 25, 2015. Syncordia's consolidated revenues would have been higher by approximately $166,473 and net loss reduced by approximately $7,917 for the period ended March 31, 2016, had the Paragon acquisition occurred on April 1, 2015.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

7. ACQUISITION OF BILLING SOLUTIONS

Effective March 22, 2016, the Company acquired 80% of the issued and outstanding membership interests of Billing Solutions. Billing Solutions is based in Arizona and operates in the revenue cycle management industry, focused on mental and behavioural health billing services. The purchase price allocation for Billing Solutions is not final as the Company is in the process of concluding on the valuation of intangible assets obtained and other items from this acquisition. The following table summarizes the total consideration paid and payable, the fair value of assets acquired and liabilities assumed at the date of acquisition:

Base purchase price	$ 6,000,000
Working capital adjustment	60,000
Subordinated promissory note	2,000,000
Total purchase price	$ 8,060,000

Recognized amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	$ 201,909
Accounts receivable	798,809
Other current assets	111,000
Property and equipment	89,861
Accounts payable and accrued liabilities	(358,267)
Deferred tax liabilities	(2,382,660)
Customer relationships	6,100,000
	4,560,652
Goodwill	4,411,478
	$ 8,972,130

Syncordia funded the Billing Solutions acquisition through a combination of cash and external debt financing as follows:

Cash and cash equivalents	$ 6,060,000
Seller promissory note	2,000,000
Non-controlling interest	912,130
Total	$ 8,972,130

Total consideration	$ 8,060,000
Less: cash acquired	(201,909)
Total	$ 7,858,091

Acquisition related costs of $149,059 were charged to transaction costs in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2016. The total amount of goodwill of $4,411,478 is calculated as the difference between the fair value of consideration transferred and the preliminary fair value of the assets acquired and liabilities assumed. Goodwill is primarily attributable to expected synergies and the corresponding projected future cash flows. Goodwill is not amortized for accounting purposes, however it is expected to be deductible for income tax purposes.

The acquisition was funded in part through a $2,000,000 promissory note payable held by the former owner of Billing Solutions. The note has a two-year term, bears interest at 9% per annum, and is subordinated to the Company's senior notes payable. Interest is payable on maturity of the notes payable.

The promissory note is subject to claw back provisions if a minimum earnings threshold is not reached during each of the first two years under control of the Company. The amount of $2,000,000 represents the estimated fair value of the promissory note payable to the seller. This amount was determined based on management's estimate of Billing Solutions achieving certain performance targets in accordance with the membership interest purchase agreement.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

The Company has an option to purchase the remaining 20% of the issued and outstanding membership interests in Billing Solutions for a period of two years commencing on the date that is two years following the closing date of the Acquisition.

Revenues and cost of sales recorded in the consolidated statement of loss and comprehensive loss represent Billing Solutions' operations since its acquisition on March 22, 2016. Billing Solutions' revenues of $167,487 and net income of $3,303 are included in the consolidated statement of loss and comprehensive loss since March 22, 2016. By extrapolating these 10 days results, Syncordia's consolidated revenues would have been higher by approximately $6,643,661 and net income increased by approximately $131,030 for the year ended March 31, 2016, had the Billing Solutions acquisition occurred on April 1, 2015.

8. REVERSE TAKEOVER

On June 29, 2015, the Company completed the Qualifying Transaction by way of a "three-cornered" amalgamation among LL Capital, a wholly owned subsidiary of LL Capital, and Syncordia Inc. The Reverse Takeover purchase accounting equation is inverted from a traditional business combination, where the consideration is the fair value of the amount Syncordia is deemed to pay for its interest in LL Capital. The consideration paid by Syncordia is measured using the trading price of LL Capital's common shares. The fair value of LL Capital's common shares and options were determined in accordance with the amalgamation agreement (the "Amalgamation Agreement") resulting in a 20:1 exchange ratio. Each Syncordia Inc. shareholder received one post-consolidation common share in the capital of Syncordia. Each LL Capital shareholder received one Syncordia share for every 20 LL Capital shares held.

Outstanding options to acquire the shares of LL Capital were also exchanged for options to acquire the shares of the Company. The LL Capital options were converted on a basis of one option to acquire the Company's shares for every 20 options existing immediately before the consolidation. The LL Capital options were fully vested at the time of completion of the Qualifying Transaction.

The purchase price has been allocated as follows:

Cash	$ 402,605
Other current assets	37,866
Accrued expenses and other current liabilities	(262,823)
Expensed as transaction costs	1,068,920
Total purchase price	$ 1,246,568

Consideration comprised of:

Conversion of LL Capital shares to common stock of Syncordia	$ 1,246,568

9. SETTLEMENT OF CONTINGENT CONSIDERATION

On June 10, 2015, the contingent consideration associated with the HSI acquisition was settled based on various factors including actual annualized revenues earned by HSI during the period from January 1, 2015 to March 31, 2015 in accordance with the terms of the HSI purchase agreement (the "HSI Purchase Agreement). While the actual annualized revenue of HSI for the purposes of determining the contingent consideration fell below the Company's estimate used in determining the initial fair value of the contingent consideration, such timing differences were considered by the HSI Purchase Agreement and required additional consideration to determine the final payment. After detailed review and assessment, the amount payable to the HSI former owners was finalized and agreed between the parties to be $1,208,658. After additional adjustments for amounts due from the HSI former owners to the Company under the terms of the HSI Purchase Agreement, the net payment to the HSI former owners was $832,388. The Company financed the settlement of the earn-out through an additional note payable as described in note 14.

Settlement of the acquisition earn-out resulted in a gain of $1,111,342 recorded in the consolidated statement of loss and comprehensive loss.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

10. ACCOUNTS RECEIVABLE

The Company assesses the collectability of trade and other receivables on an ongoing basis. A provision for the impairment of receivables involves management review of accounts receivable balances considering individual customer creditworthiness, current economic trends and analysis of historical bad debts. The movement in the provision for impairment against trade and other receivables was as follows:

	Amount
Provision, April 1, 2015	$ 22,238
Increases to the allowance	163,051
Provision, March 31, 2016	$ 185,289

11. PROPERTY AND EQUIPMENT

	Dispatch and computer equipment $	Leasehold improvements $	Furniture and fixtures $	Total $
Cost				
As at April 1, 2014	-	-	-	-
HSI assets acquired	77,842	15,452	14,308	107,602
Other additions	94,711	4,651	895	100,257
As at March 31, 2015	172,553	20,103	15,203	207,859
Accumulated amortization				
As at April 1, 2014	-	-	-	-
Amortization expense	24,781	10,732	3,928	39,441
As at March 31, 2015	24,781	10,732	3,928	39,441
Net carrying amount				
As at March 31, 2015	147,772	9,371	11,275	168,418

	Dispatch and computer equipment $	Leasehold improvements $	Furniture and fixtures $	Total $
Cost				
As at April 1, 2015	172,553	20,103	15,203	207,859
Billing Solutions assets acquired	89,861	-	-	89,861
Other additions	64,770	52,265	46,757	163,792
As at March 31, 2016	327,184	72,368	61,960	461,512
Accumulated amortization				
As at April 1, 2015	24,781	10,732	3,928	39,441
Amortization expense	65,403	8,997	9,049	83,449
As at March 31, 2016	90,184	19,729	12,977	122,890
Net carrying amount				
As at March 31, 2016	237,000	52,369	48,983	338,622

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

12. GOODWILL AND INTANGIBLE ASSETS

	Intellectual property	Customer relationships	Computer software	Total Intangible assets	Total Goodwill
Cost					
As at April 1, 2014	$ -	$ -	$ -	$ -	$ -
HSI assets acquired, identified and valued	14,000,000	3,032,906	41,948	17,074,854	5,836,719
Other additions	-	-	1,799	1,799	-
As at March 31, 2015	$ 14,000,000	$ 3,032,906	$ 43,747	$ 17,076,653	$ 5,836,719
Accumulated amortization					
As at April 1, 2014	$ -	$ -	$ -	$ -	$ -
Amortization expense	804,849	125,471	11,707	942,027	-
As at March 31, 2015	$ 804,849	$ 125,471	$ 11,707	$ 942,027	$ -
Net carrying amount					
As at March 31, 2015	$ 13,195,151	$ 2,907,435	$ 32,040	$ 16,134,626	$ 5,836,719

	Intellectual property	Customer relationships	Computer software	Total Intangible assets	Total Goodwill
Cost					
As at April 1, 2015	$ 14,000,000	$ 3,032,906	$ 43,747	$ 17,076,653	$ 5,836,719
Paragon assets acquired, identified and valued	2,900,000	300,000	-	3,200,000	533,572
Billing Solutions assets acquired, identified and valued	-	6,100,000	-	6,100,000	4,411,478
Other additions	-	-	8,006	8,006	-
As at March 31, 2016	$ 16,900,000	$ 9,432,906	$ 51,753	$ 26,384,659	$ 10,781,769
Accumulated amortization					
As at April 1, 2015	$ 804,849	$ 125,471	$ 11,707	$ 942,027	-
Amortization expense	2,388,385	343,765	15,869	2,748,019	-
As at March 31, 2016	$ 3,193,234	$ 469,236	$ 27,576	3,690,046	-
Net carrying amount					
As at March 31, 2016	$ 13,706,766	$ 8,963,670	$ 24,177	$ 22,694,613	$ 10,781,769

During the three month period ended September 30, 2015, the Company identified an indicator of impairment as a result of a significant customer loss in the HSI cash generating unit ("CGU"). On September 1, 2015, the Company received notice of termination from one of its two significant customer groups (note 18). This indicator of impairment triggered an impairment assessment for the HSI CGU. After completion of this assessment, management concluded that there was no impairment as at September 30, 2015. No additional indicators of impairment were identified during the third or fourth quarters.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

The Company performs its annual review of goodwill for all CGUs on March 31. After completion of this assessment, management concluded that there was no impairment as at March 31, 2016.

Reasonably possible changes in key assumptions would not cause the recoverable amount to fall below the carrying value for the HSI, Paragon and Billing Solutions CGUs.

The Company measured the recoverable amount of the CGUs based on the values in use. The Company used a discounted cash flow approach which involves an estimate of the after-tax cash flows from operations based on management's operating budgets. This approach requires assumptions about revenue growth rates, operating margins, tax rates and discount rates.

The Company projected normalized revenue, operating margins, and cash flows and applied a perpetual long-term growth rate. In arriving at its forecasts, the Company considered past experience, economic trends and inflation as well as industry and market trends.

The Company assumed a discount rate in order to calculate the discounted value of its cash flows. The discount rate represents a weighted average cost of capital ("WACC") for the CGU. The WACC is an estimate of the overall required rate on an investment for both debt and equity owners and serves as the basis for developing an appropriate discount rate. Determination of the WACC requires separate analysis of the cost of equity and debt, and considers a risk premium based on an assessment of risks related to the projected cash flows of the CGU. Assumptions used by the Company in the goodwill impairment test include a terminal growth rate of 2% and a discount rate of 13.1%.

13. SHARE CAPITAL

	2016		2015	
Common shares	**Number**	**Amount**	**Number**	**Amount**
Balance, April 1	14,247,135	$ 15,781,445	3,000,000	$ 3
Issuance of shares	5,396,500	12,095,041	11,247,135	15,781,442
Balance March 31	19,643,635	27,876,486	14,247,135	15,781,445
Share issuance expenses	-	(2,359,156)	-	(1,394,350)
Balance March 31	19,643,635	$ 25,517,330	14,247,135	$ 14,387,095

Weighted average number of shares outstanding:	**2016**	**2015**
Basic	18,627,314	8,869,404
Diluted	18,655,735	8,993,782

On January 14, 2014, the Company issued 3,000,000 common shares for $3.

Between May 5, 2014 and August 21, 2014, the Company issued 3,500,000 Class A preferred shares at $1 per share. Class A preferred shares are convertible to common shares on a one for one basis. In connection with the Class A preferred share offering the Company incurred $99,339 of share issuance costs of which $61,036 related to the fair value of 245,000 warrants issued to brokers as determined using Black-Scholes valuation model. Each warrant entitles the holder to purchase one share at a price of $1.60 per share at any time on or before August 1, 2016. The significant inputs into the model were: the exercise price of $1.60 volatility of 100%, an expected dividend yield of nil%, an expected option life of one year and a risk-free interest rate of 1.05%.

Between November 5, 2014 and February 11, 2015, the Company issued 7,747,135 Class B preferred shares at $1.60 per share. Class B preferred shares are convertible to common shares on a one for one basis. In connection with the offering the Company incurred $1,295,011 of share issuance costs of which $168,957 related to the fair value of 273,561 warrants and $297,326 related to the fair value of 250,000 options issued to agents and brokers. The fair value of the warrants and options was determined using a Black-Scholes valuation model approach.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Each warrant entitles the holder to purchase one share at a price of $1.60 per share at any time on or before November 5, 2016. The significant inputs into the model were: exercise price of $1.60, volatility of 100%, an expected dividend yield of nil%, an expected warrant life of one year and a risk-free interest rate of 1.00%.

The broker options vest one third after the first anniversary of the grant date and the remaining two thirds vest quarterly over the following two years. Upon vesting, each option entitles the holder to purchase one common share at the option strike price at any time on or before the expiry date of the option. The Company has no legal or contractual obligation to repurchase or settle the options in cash. The significant inputs into the model were: the strike price of $1.60, volatility 100%, an expected dividend of nil%, an expected option life of five years and a risk-free interest rate of 1.05%.

Between April 24, 2015 and May 6, 2015, the Company issued 1,702,500 Class B Series 2 preferred shares at $2.00 per share for gross proceeds of $3,405,000. Class B Series 2 preferred shares were convertible to common shares on a one for one basis. In connection with the Class B Series 2 preferred share offering, the Company incurred $326,276 of share issuance costs of which $40,113 related to the fair value of 52,100 warrants issued to brokers as determined using the Black-Scholes valuation model. Each warrant entitles the holder to purchase one share at a price of $2.00 per share at any time on or before November 5, 2016. The significant inputs into the model were: the exercise price of $2.00, volatility of 100%, an expected dividend yield of nil%, an expected option life of one year and a risk-free interest rate of 0.66%.

On May 15, 2015, an officer left the Company and voluntarily forfeited 90,000 common shares.

In connection with the Amalgamation Agreement as described in note 8, Syncordia completed a private placement agreement on June 29, 2015 to issue 2,667,000 subscription receipts from treasury at a price of Canadian $3.00 per subscription receipt for gross proceeds of Canadian $8,001,000. Additionally, an overallotment option at the same price per subscription receipt was fully exercised by the underwriters, resulting in an additional 667,000 subscription receipts and total gross proceeds of Canadian $10,002,000 or $8,052,460. Each subscription receipt was comprised of one common share and one-half warrant. Each warrant is exercisable for a period of 24 months following the closing of the offering at an exercise price of Canadian $3.30. If at any time following the four-month anniversary of the closing and prior to the expiry date of the warrants, the volume-weighted average trading price of the common shares is greater than Canadian $4.00 for any 20 consecutive trading days, then the Company will have the option to accelerate the expiry date of the warrants. The closing of the subscription receipts was conditional on the completion of the Qualifying Transaction, which was effective June 29, 2015.

Each full warrant entitles the holder to acquire one additional common share in the capital of the Company at a price of Canadian $3.30 per common share up to the date that is the two-year anniversary of closing, subject to certain acceleration provisions noted above. The fair value of the warrants on the date of issuance was $608,987. These warrants are classified as a derivative financial liability.

The change in fair value of the warrants issued as part of the subscription receipts in the private placement is recorded as a gain or loss on derivative financial liability in the consolidated statement of loss and comprehensive loss.

The warrants included in the private placement are denominated in Canadian dollars which is different from the US dollar functional currency of the Company. The conversion feature is treated as a derivative financial liability and the fair value changes in each prospective period will be recognized in the consolidated statement of loss and comprehensive loss.

Fair value changes incorporate movement in the fair value of inputs and as the warrants are exercised or expire, these changes will be reflected in the consolidated statement of financial position and consolidated statement of loss and comprehensive loss.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Value of warrants classified as derivative financial liability	Grant date
Exercise price (Canadian dollars)	$3.30
Share price (Canadian dollars)	$3.00
Risk-free interest rate	0.56%
Expected volatility	36%
Term	2 years
Expected life	1 year
Expected dividend yield	Nil
Value (US dollars)	$608,987

In connection with the private placement subscription receipt offering, the Company incurred $638,530 of share issuance costs of which $93,134 related to the fair value of 200,040 warrants issued to brokers as determined using the binomial valuation model. The significant inputs into the model were: the exercise price of Canadian $3.00, volatility of 36%, an expected dividend yield of nil%, an expected option life of one year and a risk-free interest rate of 0.56%. If at any time following the four-month anniversary of the closing and prior to the expiry date of the warrants, the volume-weighted average trading price of the common shares is greater than Canadian $4.00 for any 20 consecutive trading days, then the Company has the option to accelerate the expiry date of the warrants.

As described in note 1, on June 29, 2015 the Company completed the Qualifying Transaction by way of a "three-cornered" amalgamation among LL Capital, a wholly owned subsidiary of LL Capital, and Syncordia Inc. Upon completion of the Qualifying Transaction, LL Capital changed its name to Syncordia Technologies and Healthcare Solutions, Corp. and completed a consolidation of its share capital resulting on a basis of one post-consolidation common share for every 20 common shares existing immediately before the consolidation. This resulted in the former shareholders of LL Capital owning 450,000 shares of the resulting issuer.

Upon closing of the Qualifying Transaction, all classes of Syncordia shares existing immediately preceding the closing were exchanged on a one for one basis for common shares in the resulting issuer.

As at March 31, 2016, issued and outstanding warrants are summarized as described below.

Origination of warrant	**Expiry**	**Number of warrants**	**Strike price**	**Currency**
Class A Preferred Shares	May 2016	245,000	$1.60	USD
Class B, Series 1 Preferred Shares	November 2016	273,561	$1.60	USD
Class B, Series 2 Preferred Shares	April 2017	44,900	$2.00	USD
Class B, Series 2 Preferred Shares	May 2017	7,200	$2.00	USD
Private Placement Shares Broker warrants**	June 2017	200,040	$3.00	CAD
Private Placement Shares**	June 2017	1,667,000	$3.30	CAD
Debt issuance cost** (note 14)	November 2019	1,666,548	$2.00	USD
		4,104,249		

**The above noted warrants have features which may impact the term of the warrants at the option of the Company, as described above and in Note 14.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

14. NOTES PAYABLE

Notes payable principal at March 31, 2015	12,000,000
Paid-in-kind interest capitalized as at March 31, 2015	37,479
Deferred financing costs and discounts at March 31, 2015	(1,553,490)
Notes payable as at March 31, 2015	10,483,989
Additions to notes payable principal:	
Notes payable from Paragon acquisition	500,000
Notes payable from HSI earn-out	832,388
Paid-in-kind interest capitalized	258,878
Additions to deferred financing costs and discounts	(158,355)
Accretion and amortization of deferred financing costs and discounts	655,796
	12,572,696
Subordinated promissory note from Billing Solutions acquisition (note 7)	2,000,000
Notes payable as at March 31, 2016	14,572,496
Current portion	2,222,065
Long-term portion:	
Senior notes payable	10,350,631
Subordinated promissory note from Billing Solutions acquisition (note 7)	2,000,000
Notes payable as at March 31, 2016	14,572,696

On November 5, 2014, the Company issued $12,000,000 of long-term notes payable with a term and maturity date of three years. The notes bear interest at 11% per annum, whereby 9% interest is payable in cash at the end of each calendar quarter and the remaining 2% interest is capitalized with the loan principal on the subsequent day to the end of each calendar quarter. Principal repayments of $2 million are due on November 5, 2016 and May 5, 2017, with the remaining principal repayment due on maturity of the notes. The notes are secured by the assets of HSI and Syncordia and the notes are repayable without penalty at any time at the option of the Company; therefore, the carrying value of the principal approximates the fair value.

In connection with the November 5, 2014 issuance, a total of 1,500,000 warrants with an accelerated expiry date feature were issued with the notes at an exercise price of $2.00 and an expiration date of November 5, 2019. If the current market price of a common share reaches $5.00 for five consecutive trading days, the term of warrants can be accelerated at the option of the Company to require early redemption within a time period from the date the notice is provided. The fair value of the warrants determined using a binomial valuation model was $1,071,750. The significant inputs into the model were: the exercise price of $2.00, an exercise price cap of approximately $5.00, volatility of 100%, an expected dividend yield of nil%, an expected option life of 2.5 years and a risk-free interest rate of 1.07%. The fair value of the warrants has reduced the carrying value of the notes and accretion is recorded using the effective interest rate method over the term of the debt.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

During the year ended March 31, 2016, the Company issued the following notes payable:

On April 24, 2015, in connection with the Paragon acquisition, the Company issued $500,000 of long-term notes payable with a term and maturity date of November 5, 2017. The notes bear interest at 11% per annum, whereby 9% interest is payable in cash at the end of each calendar quarter and the remaining 2% interest is capitalized with the loan principal on the subsequent day to the end of each calendar quarter. Principal repayments of $83,333 are due on November 5, 2016 and May 5, 2017, with the remaining principal repayment due on maturity of the notes. The notes are secured by the assets of Syncordia and the notes are repayable without penalty at any time at the option of the Company; therefore, the carrying value of the principal approximates the fair value.

On June 10, 2015, in connection with the settlement of the HSI acquisition earn-out payment, the Company issued $832,388 of long-term notes payable with a term and maturity date of November 5, 2017. The notes bear interest at 11% per annum, whereby 9% interest is payable in cash at the end of each calendar quarter and the remaining 2% interest is capitalized with the loan principal on the subsequent day to the end of each calendar quarter. Principal repayments of $138,731 are due on November 5, 2016 and May 5, 2017, with the remaining principal repayment due on maturity of the notes. The notes are secured by the assets of HSI and of Syncordia and the notes are repayable without penalty at any time at the option of the Company; therefore, the carrying value of the principal approximates the fair value.

In connection with the April 24, 2015 issuance, a total of 62,500 warrants with an accelerated expiry date feature were issued with the notes at an exercise price of $2.00 and an expiration date of November 5, 2019. If the current market price of a common share reaches $5.00 for five consecutive trading days, the term of warrants can be accelerated at the option of the Company to require early redemption within a time period from the date the notice is provided. The fair value of the warrants determined using a binomial valuation model was $54,676. The significant inputs into the model were: the exercise price of $2.00, an exercise price cap of approximately $5.00, volatility of 100%, an expected dividend yield of nil%, an expected option life of 2.5 years and a risk-free interest rate of 0.66%. The fair value of the warrants has reduced the carrying value of the notes and accretion is recorded using the effective interest rate method over the term of the debt.

In connection with the June 10, 2015 issuance, a total of 104,048 warrants with an accelerated expiry date feature were issued with the notes at an exercise price of $2.00 and an expiration date of November 5, 2019. If the current market price of a common share reaches $5.00 for five consecutive trading days, the term of warrants can be accelerated at the option of the Company to require early redemption within a time period from the date the notice is provided. The fair value of the warrants determined using a binomial valuation model was $73,720. The significant inputs into the model were: the exercise price of $2.00, an exercise price cap of approximately $5.00, volatility of 36%, an expected dividend yield of nil%, an expected option life of 2.5 years and a risk-free interest rate of 0.68%. The fair value of the warrants has reduced the carrying value of the notes and accretion is recorded using the effective interest rate method over the term of the debt.

The notes are subject to certain non-financial covenants related to continuous reporting requirements of financial results of the Company. The Company is in compliance with all non-financial covenants as at March 31, 2016.

The Company incurred $29,960 of financing costs associated with the note issuances that have been capitalized and are amortized using the effective interest rate method over the term of the debt (2015 - $725,237).

The senior notes payable have an aggregate principal amount of $13,628,746 including $296,357 of capitalized interest as at March 31, 2016. Net of amortized deferred financing fees and discounts, the notes payable balance was $12,572,696 at March 31, 2016.

The acquisition of Billing Solutions was funded, in part, through a promissory note payable held by the former owner of Billing Solutions. The note has a two-year term, bears interest at 9% per annum, and is subordinated to the Company's senior notes payable. Interest is payable on maturity of the notes payable.

The promissory note is subject to certain claw back provisions as described in note 7. The subordinated promissory note has a fair value of $2,000,000 as at March 31, 2016 and is included within notes payable.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

15. SHARE-BASED COMPENSATION

The Company adopted a share option plan on for certain employees, officers, directors and non-employees.

During the year ended March 31, 2016, the Company granted a total of 728,501 stock options to certain employees, officers, charities and in connection with the Reverse Takeover. Options granted under the plan vest one third after the first anniversary of the grant date and the remaining two thirds vest quarterly over the following two years. Upon vesting, each option entitles the holder to purchase one common share at the option strike price at any time on or before the expiry date of the option. The Company has no legal or contractual obligation to repurchase or settle the options in cash. Charitable options issued by the Company are fully vested upon issuance.

The Company's outstanding and exercisable options as at March 31 are as follows:

Common share options	2016 Options	2016 Weighted average exercise price	2015 Options	2015 Weighted average exercise price
Balance - April 1	473,850	1.49	-	-
Options granted	664,000	1.14	473,850	1.49
Reverse Takeover options	64,501	1.58	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options cancelled/forfeited	(176,270)	1.44	-	-
Balance – March 31	1,026,081	1.27	473,850	1.49

The weighted average remaining contractual life and exercise price of options outstanding as at March 31, 2016 are as follows:

Exercise price	Number Outstanding	Weighted average contractual life (years)	Number Exercisable
1.00 - 1.49	670,580	4.8	15,193
1.50 - 1.99	321,501	3.8	66,835
2.00 - 2.49	34,000	4.1	17,333
	1,026,081	4.8	99,361

The fair value of the 30,000 options granted on April 20, 2015 at $2.00 during the period determined using Black-Scholes valuation model was estimated to be $1.49 per share. The fair value of 9,000 charitable options granted at Canadian $3.00 (US$2.44) during the period using the Black-Scholes valuation model was estimated to be $0.80 per share. The significant inputs into the model were: exercise price, volatility in the range of 36% - 100%, an expected dividend yield of nil%, an expected option life of five years and risk-free interest rates in the range of 0.90% - 1.08% based on the date of grant. The contractual life of the options is ten years.

The fair value of the 625,000 options granted on February 16, 2016 at Canadian $1.50 (US$1.08) during the period determined using the Black-Scholes valuation model was estimated to be $0.002 per share. The significant inputs into the model were: exercise price of Canadian $1.50, volatility of 36%, an expected dividend yield of nil%, an expected option life of five years and a risk free rate of 0.51% based on the date of the grant. The contractual life of the options is five years.

In connection with the Reverse Takeover, options issued by LL Capital to its directors, agents, and charities were exchanged for 64,501 options in the Company. These options are fully-vested and have remaining terms ranging from 0.8 to 9.4 years. The Reverse Takeover options were taken into consideration in the transaction costs expense related to the Reverse Takeover (note 8).

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

The Company reduced the option expiry term for all previously issued options from 10 years to five years. Therefore, all options previously issued and any new issuances will expire after five years from grant date, upon agreement by the option holder, if not exercised. This change in the contractual life of the options did not have an impact on the valuation of the options, as the Company made no revisions to the expected life of the options granted.

An expense of $89,837 (2015- $27,524) for share options and cash-settled restricted stock units granted to certain officers, employees, and charities is recognized in operating expenses in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2016.

16. INCOME TAXES

a. A reconciliation of income tax expense (recovery) to net income is as follows:

	2016		2015	
	%	$	%	$
Pre-tax income		(3,504,089)		(2,894,500)
Statutory rate	26.5		26.5	
Provision for tax at statutory rate		(928,584)		(767,042)
Adjustments:				
Differences in foreign tax rates	(8.1)	282,532	2.5	(74,643)
Permanent book to filing adjustments	8.6	(300,895)	2.5	(74,643)
Permanent and non-deductible items	(3.6)	124,984	(4.3)	125,524
Benefit of current year losses and deductible temporary differences not recognized for accounting purposes	(31.8)	1,114,754	(23.4)	678,126
Benefit of loss carryforwards and deductible temporary differences previously not recognized in the year	12.9	(450,563)	-	-
Other	6.7	(233,367)	(1.3)	38,035
Income taxes	11.2	(391,139)	-	-

b. Provision for (recovery of) income taxes consists of the following:

	2016	2015
	$	$
Current	59,424	-
Deferred	(450,563)	-
Income tax expense	(391,139)	-

c. Unrecognized deferred income tax assets and liabilities

As at March 31, 2016, the Company had total non-capital losses in Canada, the United States of America and Ireland of approximately $3,221,938 (2015 - $1,237,011), $759,295 (2015 - $238,021) and $174,688 (2015 - $0) respectively, that are available for carry-forward to reduce future taxable income. The non-capital losses will begin to expire in 2035.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Significant components of the Company's unrecognized deferred tax assets and deferred tax liabilities are as follows:

	2016 $	2015 $
Deferred tax assets not recognized		
Non-capital loss carry-forwards	843,099	170,072
Goodwill	-	263,658
Financing and share issuance costs	270,839	154,483
Capital and intangible assets	173,551	89,913
Other	164,693	-
Total deferred tax assets not recognized	1,452,182	678,126

	2016 $	2015 $
Deferred tax assets and liabilities		
Loan discount	(173,453)	-
Non-capital loss carry-forwards	222,068	-
Goodwill	82,310	-
Capital and intangible assets	(2,508,241)	-
Other	455,220	-
Net deferred tax liability	(1,932,097)	-

Deferred tax assets have not been recognized in respect of Irish and Canadian losses because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

17. FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments consist of accounts receivable, other assets and accounts payable and accrued liabilities, the fair value of which approximates carrying value due to the short-term nature of these instruments. Notes payable are initially recorded at fair value and subsequently at amortized cost. As the notes are repayable at any time at the option of the Company without penalty, the carrying value of the principal approximates the fair value. The fair value of contingent consideration is determined at each reporting period.

Liquidity risk

Liquidity risk is the risk the Company will not have the financial resources required to meet its financial obligations as they come due. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. As at March 31, 2016, the Company had cash and cash equivalents of $4,436,844.

Interest rate risk

Interest rate risk is the risk the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash balances, other assets, accounts payable, accrued liabilities, contingent consideration and notes payable have fixed interest rates and are not directly impacted by variable interest rates.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Credit risk

Credit risk is the risk one party to a financial instrument will cause a loss to another party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances and accounts receivable. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank in Canada and large financial institutions outside of Canada and monitors their credit ratings.

18. ECONOMIC DEPENDENCE

The Company earns a significant portion of its revenue from two customer groups. Revenue recognized from these customer groups for the years ended March 31, 2015 and 2016 and the associated accounts receivable outstanding are as follows:

	Year ended March 31, 2016		Year ended March 31, 2015	
Revenue	$ 9,250,371	66.6%	$ 2,827,735	64.4%

	As at March 31, 2016		As at March 31, 2015	
Accounts receivable	$ 641,633	28.8%	$ 1,530,196	79.2%

On September 1, 2015, the Company received notice of termination from one of these customer groups. Pursuant to the notice, HSI continued to process new claims until November 30, 2015, after which HSI will only process the billing and collection of the then-existing claims until May 31, 2016. Subsequent to year end, the Company received a contract extension to process claims existing as at November 30, 2015 until May 31, 2017.

19. COMMITMENTS

As at March 31, 2016, the Company had various operating leases, primarily for office rent and equipment, with remaining terms of more than one year. These leases have minimum annual aggregate commitments as follows:

2016	521,344
2017	514,388
2018	487,280
2019	496,187
2020	507,176
2021 and thereafter	312,819
Total	2,839,194

The Company has obligations and commitments relating to its notes payable as described in note 14.

20. NATURE OF EXPENSES

The nature of expenses included in cost of sales, operating expenses and transaction costs are as follows:

	Year ended March 31, 2016
Salaries and benefits	9,046,252
Transaction costs	1,946,009
Professional fees	387,891
Rent and facilities	642,151
Information technology	520,373
Travel costs	280,632
Other	1,333,460
Total	14,156,768

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

21. RELATED PARTY TRANSACTIONS

For the year period ended March 31, 2016, the Company paid compensation to key management personnel which are recognized as an expense during the reporting period.

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and benefits	936,582	692,079
Share based compensation	30,919	13,693

Of the $12,000,000 notes payable and related warrants, $1,000,000 are held by a company controlled by a member of the Board of Directors of Syncordia. Of the 1,500,000 warrants issued with the notes payable, 125,000 were issued to related parties (note 14).

Of the $500,000 notes payable and related warrants issued on April 24, 2015 in connection with the Paragon acquisition, $250,000 of the notes payable and 31,250 warrants are held by a company controlled by a member of the Board of Directors of Syncordia (note 14).

Refer to note 6 for details of the Paragon acquisition with related parties.

22. SEGMENT INFORMATION

The Company's Chief Executive Officer ("CEO") has been identified as the chief operating decision maker. The CEO evaluates the performance of the Company and allocates resources based on information provided by the Company's internal management system. The Company has determined that it has three business segments: RCM, Syncordia Cloud and Corporate.

As at March 31, 2016 the RCM business segment is comprised of HSI, located in Santa Rosa, California, Paragon, located in Edina, Minnesota and Billing Solutions, located in Prescott, Arizona. The operating results reflected below represent approximately 11 months of Paragon's operations subsequent to acquisition by the Company effective April 24, 2015 and 10 days of Billing Solution's operations subsequent to acquisition by the Company effective March 22, 2016.

The Syncordia Cloud business segment is located in Mullingar, Ireland and acts as a centre supporting the Company's intellectual property and where research and development activities are conducted. The business objectives of the Syncordia Cloud include supporting the deployment and operation of acquired intellectual property, and to enhance and further develop the Cloud technology platform.

The Corporate business segment is comprised of executive management offices based in Toronto, Ontario and Wilmington, North Carolina and oversees corporate development, investor relations and corporate finance activities. Below are the results by segment for the year ended March 31, 2016.

Syncordia Technologies and Healthcare Solutions, Corp.
Notes to Consolidated Financial Statements
For the year ended March 31, 2016 and 2015

Year ended and as at March 31, 2016

	RCM	**Syncordia Cloud**	**Corporate**	***Eliminations***	**Total**
Revenue	13,888,294	3,813,206	-	(3,813,206)	13,888,294
Gain on settlement of contingent consideration	1,111,342	-	-	-	1,111,342
Amortization	416,860	2,396,890	270,676	-	3,084,426
Interest expense	2,619	852,329	1,871,294	(852,329)	1,873,913
Income (loss) before interest, transaction costs and fair value adjustments	58,876	(118,027)	(956,601)	-	(1,015,752)
Goodwill	10,781,769	-	-	-	10,781,769
Non-current assets	19,710,192	15,269,678	54,946,350	(56,111,217)	33,815,004
Total assets	23,918,110	15,683,018	57,365,838	(56,111,217)	40,855,748
Total liabilities	1,030,770	10,116,788	14,942,386	(10,000,000)	16,089,944

Year ended and as at March 31, 2015

	RCM	**Syncordia Cloud**	**Corporate**	***Eliminations***	**Total**
Revenue	4,391,812	1,191,504	-	(1,191,504)	4,391,812
Gain on settlement of contingent consideration	-	-	-	-	-
Amortization	170,397	804,849	106,948	-	1,082,194
Interest expense	-	342,329	675,217	(342,329)	675,217
Income (loss) before interest, transaction costs and fair value adjustments	209,511	104,865	(1,711,854)	-	(1,397,478)
Goodwill	5,836,719	-	-	-	5,836,719
Non-current assets	8,914,983	13,202,943	32,275,969	(32,254,132)	22,139,763
Total assets	11,104,169	13,692,641	34,515,878	(32,254,132)	27,058,556
Total liabilities	727,918f	10,026,174	13,185,276	(10,000,000)	13,939,368

Revenue from external customers is assigned to geographic areas based on the location of the customers. For the years ended March 31, 2016 and 2015, all revenue earned was from customers located in the United States.

23. DERIVATIVE FINANCIAL LIABILITY

The change in value of the warrants totaling $608,987 has been recorded as a gain on derivative financial liability in the Consolidated Statements of Loss and Comprehensive Loss. The warrants are denominated in Canadian dollars which is different than the functional currency of the Company (US dollars). Under IFRS, the conversion feature is treated as a derivative financial liability and the fair value movement during the period is recognized in the Statement of Loss and Comprehensive Loss.

Fair value changes incorporate movement in the fair value of inputs and as the warrants are exercised or expire, these changes will be reflected in the consolidated statement of financial position and consolidated statement of loss and comprehensive loss. The fair value of the warrants was determined using a binomial model with inputs as described below.

Syncordia Technologies and Healthcare Solutions, Corp.

Notes to Consolidated Financial Statements

For the year ended March 31, 2016 and 2015

Value of warrants classified as derivative financial liability	Grant date and at June 30, 2015	As at March 31, 2016
Exercise price (Canadian dollars)	$3.30	$3.30
Share price (Canadian dollars)	$3.00	$0.39
Risk-free interest rate	0.56%	0.54%
Expected volatility	36%	36%
Term	2 years	1.3 years
Expected life	1 year	1 year
Expected dividend yield	Nil	Nil
Value (US dollars)	$608,987	$0