Smart Employee Benefits Inc.
Consolidated Financial Statements
November 30, 2014

To the Shareholders of Smart Employee Benefits Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditor.

MNP LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders to audit the annual consolidated financial statements and report directly to them.

April 2, 2015

John McKimm	*Robert Prentice*
Chief Executive Officer	Chief Financial Officer

Independent Auditors' Report

To the Shareholders of Smart Employee Benefits Inc.:

We have audited the accompanying consolidated financial statements of Smart Employee Benefits Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at November 30, 2014 and 2013, and the consolidated statements of changes in shareholders' equity, comprehensive loss and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Smart Employee Benefits Inc. and its subsidiaries as at November 30, 2014 and 2013, their financial performance and their 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 consolidated financial statements, which indicates that Smart Employee Benefits Inc. and its subsidiaries incurred a net loss and comprehensive loss of $7,089,198 during the year ended November 30, 2014 and as of that date, the current liabilities exceeds its current assets by $2,274,864. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about Smart Employee Benefits Inc. and its subsidairies ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 2, 2015

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Smart Employee Benefits Inc.

Consolidated Statements of Financial Position

As at November 30, 2014 and 2013

	Note	*2014*	*2013*
Cash and cash equivalents		$ 403,096	$ 257,608
Accounts receivable		5,092,777	2,551,968
Inventory		95,825	-
Prepaids and deposits		464,910	82,188
Total Current Assets		**6,056,608**	**2,891,764**
Advances to acquisition target	**23**	-	749,892
Long-term deposits		275,352	-
Associate investments	**4**	3,300,892	-
Equipment	**5**	623,489	472,343
Software	**6**	1,990,169	1,740,584
Intellectual property	**6**	92,583	-
Customer relationships	**7**	2,013,808	1,094,167
Trade names	**8**	1,235,369	704,800
Goodwill	**4**	3,283,157	1,147,793
Total Assets		**$ 18,871,427**	**$ 8,801,343**
Bank loan	**9**	$ 1,482,208	$ 846,819
Accounts payable and accrued liabilities		4,504,779	1,896,195
Deferred revenue	**10**	721,520	356,289
Short-term notes	**14**	7,099	5,100
Current portion of equipment leases payable	**11**	35,260	96,659
Equipment loans	**12**	32,625	73,708
Government remittances and current taxes payable		775,091	20,186
Current portion of contingent consideration payable	**24**	93,962	-
Current portion of convertible debt	**13**	678,928	-
Total Current Liabilities		**8,331,472**	**3,294,956**
Equipment leases payable	**11**	8,998	36,546
Contingent consideration payable	**24**	1,137,555	-
Convertible debt	**13**	4,009,624	2,628,045
Deferred income taxes	**16**	865,027	571,214
Preferred shares	**4**	350,000	-
Total Long Term Liabilities		**6,371,204**	**3,235,805**
Share capital	**15**	15,093,132	7,878,625
Share issue costs	**15**	(612,979)	(504,580)
Contributed surplus	**15**	926,216	724,486
Warrants	**15**	3,693,108	2,552,739
Options	**15**	1,255,222	311,397
Deficit		(15,499,981)	(8,692,085)
Total Shareholders' Equity		**4,854,718**	**2,270,582**
Non-controlling interest in subsidiaries		**(685,967)**	**-**
		4,168,751	**2,270,582**
Total Liabilities and Shareholders' Equity		**$ 18,871,427**	**$ 8,801,343**

Going concern (Note 1), **Commitments and Contingencies** (Note 21), **Subsequent events** (Note 25)

Approved on behalf of the Board:

Stephen Peacock — Director

John McKimm — Director

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

Smart Employee Benefits Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended November 30, 2014 and 2013

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders' Equity	Non-controlling Interest
	Number	$	Number	$	Number	$	$	$	$	$	$
Balances November 30, 2012	**48,384,677**	**3,657,558**	**10,440,834**	**1,462,029**	**1,380,000**	**64,518**	**49,191**	**(306,012)**	**(4,731,374)**	**195,910**	**-**
Convertible debt financing Dec 27, 2012	-	-	99,777	16,224	-	-	56,516	-	-	72,740	-
Acquisition of Logitek	6,698,173	2,143,415	1,000,000	159,500	-	-	303,437	-	-	2,606,352	-
Equity financing Feb 27, 2013	3,160,000	1,106,000	-	-	-	-	-	(93,128)	-	1,012,872	-
Issuance of warrants and broker warrants February 27, 2013	-	(378,368)	3,446,000	416,120	-	-	-	(37,752)	-	-	-
Acquisition of SOMOS	2,500,000	875,000	1,000,000	174,100	-	-	186,199	-	-	1,235,299	-
Convertible debt financing May 13, 2013	-	-	1,025,000	75,850	-	-	143,656	-	-	219,506	-
Convertible debt financing Sep 6, 2013	-	-	1,075,000	74,073	-	-	132,861	-	-	206,934	-
Equity financing November 18, 2013	1,250,000	500,000	-	-	-	-	-	(54,743)	-	445,257	-
Issuance of warrants and broker warrants November 14, 2013	-	(165,648)	1,325,000	178,593	-	-	-	(12,945)	-	-	-
Exercise of warrants	325,000	71,250	(325,000)	(3,750)	-	-	-	-	-	67,500	-
Issue of options	-	-	-	-	1,569,000	265,717	-	-	-	265,717	-
Exercise of options	340,150	69,418	-	-	(340,150)	(825)	-	-	-	68,593	-
Expiration of options	-	-	-	-	(256,600)	(18,013)	18,013	-	-	-	-
Deferred tax impact on convertible debt	-	-	-	-	-	-	(165,387)	-	-	(165,387)	-
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(3,960,711)	(3,960,711)	-
Balances November 30, 2013	**62,658,000**	**7,878,625**	**19,086,611**	**2,552,739**	**2,352,250**	**311,397**	**724,486**	**(504,580)**	**(8,692,085)**	**2,270,582**	**-**
$2 million convertible financing Feb 14 2014	-	-	320,000	147,232	-	-	240,523	-	-	387,755	-
Conversion of debt	888,887	586,199	-	-	-	-	(186,199)	-	-	400,000	-
Acquisition of Inforica Inc.	-	-	-	-	-	-	-	-	-	-	(435,165)
Acquisition of Antian	-	-	-	-	-	-	96,230	-	-	96,230	-
Acquisition of Adeeva Nutritionals	1,027,418	525,000	-	-	-	-	-	-	-	525,000	30,500
Acquisition of Stroma Service Consulting	1,125,000	562,500	1,000,000	317,100	-	-	80,802	-	-	960,402	-
Acquisition of 50% of Banyan	2,000,000	1,000,000	1,000,000	319,200	-	-	-	-	-	1,319,200	-
$1 million equity unit financing October 29, 2014	2,000,000	1,000,000	-	-	-	-	-	-	-	1,000,000	-
$1 million equity unit financing warrants	-	(350,227)	2,000,000	350,227	-	-	-	-	-	-	-
$2 million equity unit financing October 29 and November 6, 2014	4,000,000	2,000,000	-	-	-	-	-	(55,859)	-	1,944,141	-
$2 million equity unit financing warrants	-	(697,904)	4,000,000	697,904	-	-	-	-	-	-	-
$2 million equity unit financing finder warrants	-	-	200,000	52,540	-	-	-	(52,540)	-	-	-
Exercise of warrants	5,091,388	2,495,083	(5,091,388)	(691,533)	-	-	-	-	-	1,803,550	-
Expiration of warrants	-	-	(879,000)	(52,301)	-	-	52,301	-	-	-	-
Exercise of options	183,250	93,856	-	-	(183,250)	(31,218)	-	-	-	62,638	-
Issue of options	-	-	-	-	4,925,000	975,043	-	-	-	975,043	-
Deferred tax impact on convertible debt	-	-	-	-	-	-	(81,927)	-	-	(81,927)	-
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(7,089,198)	(7,089,198)	-
Net loss and comprehensive loss attributed to non-controlling interest	-	-	-	-	-	-	-	-	281,302	281,302	(281,302)
Balances November 30, 2014	**78,973,943**	**15,093,132**	**21,636,223**	**3,693,108**	**7,094,000**	**1,255,222**	**926,216**	**(612,979)**	**(15,499,981)**	**4,854,718**	**(685,967)**

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

Smart Employee Benefits Inc.

Consolidated Statements of Comprehensive Loss

For the years ended November 30, 2014 and 2013

	Note	*2014*	*2013*
Revenue	**19**	**$ 20,022,220**	**$ 10,153,539**
Cost of revenues			
Compensation		13,700,817	7,634,305
Other		2,042,605	326,258
		15,743,422	7,960,563
Gross Margin		**4,278,798**	**2,192,976**
Expenses			
Salaries and other compensation costs	**19**	4,204,530	3,195,585
Office and general		2,528,739	1,236,849
Amortization	**6,7,8**	1,032,420	497,616
Share-based compensation	**15**	975,043	265,717
Professional fees		675,739	648,126
Depreciation of equipment	**5**	228,454	128,185
Development costs		668,391	112,613
		10,313,316	**6,084,691**
Loss before interest, accretion of interest, equity income from associate investments and income tax recovery		(6,034,518)	(3,891,715)
Interest		546,815	194,688
Accretion of interest	**13**	793,987	185,871
Equity income from associate investments	**4**	(28,192)	-
Net loss before income tax recovery		(7,347,128)	(4,272,274)
Income tax recovery	**16**	(257,930)	(311,563)
Net loss and comprehensive loss		**$ (7,089,198)**	**$ (3,960,711)**
Attributed to non-controlling interest		**$ (281,302)**	**$ -**
Attributed to common shareholders		**$ (6,807,896)**	**$ (3,960,711)**
Weighted average number of shares - basic and diluted	**15**	**68,046,280**	**58,754,132**
Net loss per common share - basic and diluted		**$ (0.10)**	**$ (0.07)**

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

Smart Employee Benefits Inc.
Consolidated Statements of Cash Flows
For the years ended November 30, 2014 and 2013

	Notes	*2014*	*2013*
Net loss and comprehensive loss for the year		**$ (7,089,198)**	**$ (3,960,711)**
Add items not involving cash:			
Income tax recovery		(257,930)	(311,563)
Amortization of intangible assets		1,032,420	497,616
Depreciation of equipment		228,454	128,185
Accretion of interest		793,987	185,871
Share-based compensation		975,043	265,717
Equity income from associate investments		(28,192)	-
Non-cash working capital	**20**	360,930	(81,303)
Total adjustments		**3,104,712**	**684,523**
Cash flows used in operating activities		**(3,984,486)**	**(2,657,391)**
Cash flows from investing activities			
Advances to acquisition target		-	(734,892)
Advances to related company		-	5,500
Purchase of software		(141,702)	(200,000)
Purchase of equipment		(187,048)	(186,215)
Acquisition of Antian		(357,701)	-
Acquisition of Stroma		(650,000)	-
Acquisition of Banyan		(1,575,000)	-
Net cash on acquisition of Inforica Inc.		12,200	-
Net cash on acquisition of Adeeva		6,209	-
Net cash on acquisition of Antian		456,159	-
Net cash on acquisition of Stroma		(347,547)	-
Net cash on acquisition of Logitek			90,958
Net cash on acquisition of SOMOS		-	(119,504)
Cash flows used in investing activities		**(2,784,430)**	**(1,144,153)**
Cash flows from financing activities			
Financing from bank loan		635,389	618,797
Proceeds from equity financings		3,000,000	1,606,000
Issue costs from equity financings		(55,859)	(147,870)
Proceeds from exercised warrants		1,683,550	67,500
Proceeds from exercised options		62,638	68,593
Proceeds from convertible debt financings		2,000,000	2,554,000
Issue costs from convertible debt financings		(248,192)	(174,869)
Equipment financed through capital leases		-	115,433
Repayment of equipment leases		(88,947)	(47,957)
Repayment of equipment loans		(41,083)	(76,153)
Advances (repayment) of short-term notes		1,999	(10,714)
Repayment of convertible debt		(35,092)	-
Convertible debt to be issued		-	(30,000)
Cash flows from financing activities		**6,914,403**	**4,542,760**
Net increase in cash and cash equivalents		145,487	741,216
Cash and cash equivalents, beginning of year		257,608	135,189
Cash and cash equivalents, end of year		**$ 403,096**	**$ 257,608**

Supplemental disclosures of cash flow information (Note 20)

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

1. Nature of Operations and Going Concern

Smart Employee Benefits Inc. (the "Company" or "SEB") is a technology company providing software-enabled services in the areas of healthcare transaction processing, software solutions, and professional services for corporate and government clients.

These financial statements are the audited consolidated financial statements of Smart Employee Benefits Inc. and its subsidiary and associated companies as discussed below listed by operating segment:

Company	SEB Ownership
Technology Division	
Logitek Technology Ltd.	100%
SOMOS Consulting Group Ltd.	100%
SOMOS Information Technology Services Ltd.	100%
APS - Antian Professional Services Inc.	100%
Stroma Service Consulting Inc.	100%
Inforica Inc.	50%
Health Care Division	
Smart Employee Solutions Inc.	100%
SES Benefits Canada Corporation	100%
SEB Insurance and Financial Services Corporation	58%
Banyan Work Health Solutions Inc.	50%
BITS Licencing Inc.	50%
Adeeva Nutrutionals Canada Inc.	100%
Meschino Health and Wellness Corporation	75%
Inactive companies	
SES International Inc.	100%

The Company's head office is 5500 Explorer Drive, 4th Floor, Mississauga, Ontario, L4W 5C7 and its registered and records office address is 2355 Skymark Avenue, Suite 300, Mississauga, Ontario, L4W 4Y6.

These audited consolidated financial statements were authorized for issuance by the Board of Directors on April 2, 2015.

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

1. Nature of Operations and Going Concern – continued

As at November 30, 2014 and 2013, the Company has a working capital deficiency of $2,274,864 and $403,192, and an accumulated deficit of $15,499,981 and $8,692,085, respectively. For the years ended November 30, 2014 and 2013, the Company incurred a net loss and comprehensive loss of $7,089,198 and $3,960,711, respectively, and negative cash flow from operations of $3,349,097 and $2,657,391, respectively. These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing.

Management of the Company has to date been successful in raising capital through equity and debt offerings. However, there is no assurance that the Company will continue to be successful in the future.

Management expects the acquisitions and investments in associate companies to result in positive cash flows which are expected to contribute to the operating results of the Company, partially based on restructurings and other initiatives Management has executed within the acquisitions. The Company continues to acquire companies which it believes will enhance the earnings capability of the Company; see Note 25. However, there is no assurance that this will occur.

To remain a going concern, the Company will require additional capital to enable it to further develop its software and generate future positive cash flows. It cannot be determined at this time whether these objectives will be realized. These consolidated financial statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

2. Significant Accounting Policies

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the year ended November 30, 2014. The accounting policies adopted are consistent with those of the previous financial year with the additions to the following; associate investments, business combinations and internally generated intangible assets.

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency the Company and all subsidiaries.

2. Significant Accounting Policies - continued

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Logitek Technology Ltd. (“Logitek”), SOMOS Consulting Group Lts. (“SOMOS”), SOMOS Information Technology Ltd. (“SITS”), APS – Antian Professional Services Ltd. (“Antian”), Stroma Service Consulting Inc. (“Stroma”), Smart Employee Solutions Inc. (“SES”), SES Benefits Canada Corporation (“SESBC”), SEB Insurance and Financial Services Corporation, Adeeva Nutritionals Canada Inc. (“Adeeva”) and SES International Inc. In addition, the Company has a 50% ownership in Inforica Inc. (“Inforica”), 58% ownership in SEB Insurance and Financial Services Corporation and a 75% ownership in Meschino Health and Wellness Corporation (“Meschino”). Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company’s interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated upon consolidation.

Associate Investments

Associates are entities over which the Company has significant influence and that are neither subsidiaries nor interests in joint ventures. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by factors such as the Company’s representation on the Board of Directors, participation in policy-making of the investee, material transactions with the investee, interchange of managerial personnel, or the provision of essential technical information. Associates are equity accounted for from the effective date of commencement of significant influence to the date that the Company ceases to have significant influence.

Results of associates are equity accounted for using the results of their most recent annual or interim financial statements.

The carrying value of the investment in an associate represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses and any impairment losses. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired and if so, records an impairment loss in its statement of operations and comprehensive loss.

2. Significant Accounting Policies - continued

Use of Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to these consolidated financial statements are as follows:

a) Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (software, trade name and customer relationships) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of comprehensive loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates, differences in these estimates and assumptions could have a significant impact on the consolidated financial statements. No impairment has been recorded for the periods ended November 30, 2014 and 2013. See note 4 for further information on the goodwill impairment test.

b) Significant judgment is involved in the determination of useful life for the computation of depreciation of equipment and amortization of intangible assets. No assurance can be given that actual useful lives will not differ significantly from current assumptions.

c) Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets require a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

d) The inputs and assumptions used in the valuation and recording of share-based payments involve management assumptions and estimated which could have a significant impact on the consolidated financial statements.

e) Determining whether there exists material uncertainty that casts significant doubt about the Company's ability to continue as a going concern requires Management to exercise its judgement, in particular about its ability to obtain funds to continue operations.

f) The Company assesses the provision for legal or constructive obligations at each reporting period or when new material information becomes available. Legal and contractual matters are subject to interpretation and the Company may engage external advisors to assist with periodic assessments. To the extent that interpretation of legal and contractual matters differ significantly from estimates, the actual judgments and settlement amounts may vary significantly from management's estimates.

2. Significant Accounting Policies - continued

Business Combinations

A business combination is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the research and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of operations and comprehensive loss.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. Significant Accounting Policies - continued

Business Combinations - continued

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Non-controlling Interest

The Company recognises any non-controlling interest on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2. Significant Accounting Policies - continued

Revenue Recognition

The Company is organized into two revenue-generating groups; Health-related Products and Services and Technology Services.

Technology Services
Through the Technology Division, the Company provides the following revenue-generating services:

Services charged on either a time and materials or fixed price basis. The Company recognizes revenue for the services as the services are performed and when collection is reasonably assured. Examples include:

- project management consulting and training, and information technology staffing
- event management
- software development

Services charged on a fee basis, either periodic or transactional. The Company recognizes revenue for the services on a periodic basis or on completion of the transaction and when collection is reasonably assured. Examples include:

- information technology hosting
- supply chain transactions
- energy information management
- software licensing

Fees paid in advance of the services being provided are recorded as deferred revenue and recognized into revenue over the period which the service is performed.

Health-related Products and Services
Through the Health Care Division, the Company provides the following revenue-generating products and services:

Services charged on a fee basis, either periodic or transactional. The Company recognizes revenue for the services on a periodic basis or on completion of the transaction and when collection is reasonably assured.

- Processing of group health benefits
- Provision of on-line wellness content and self-management software
- Disability case-management
- Licensing of disability case-management software

Products sold. Revenue is recorded as products are shipped and when collection is reasonably assured; producing and distribution of nutritional supplements to retailers

In general, revenue from all streams is recognized when the following criteria are met:

- The amount of revenue can be reliably measured;
- The stage of completion can be reliably measured;
  The receipt of economic benefits is probable

2. Significant Accounting Policies - continued

Equipment

The Company records as assets the cost of equipment when purchased. The Company records depreciation of its equipment according to the following rates, which approximate the useful lives of these assets:

Furniture and office equipment	20% straight-line and 20% declining balance
Computer hardware	30% straight-line and 30% declining balance
Computer hardware under lease	30% declining balance

The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Equipment under finance lease is accounted for at cost. The cost corresponds to the present value of the minimum lease payments. Depreciation is based on the equipment's estimated useful life.

Intangible Assets

The Company's intangible assets consist of:

- software, licenced, acquired or developed;
- brands and trade names;
- customer relationships, acquired through acquisition
- intellectual property

The Company amortizes all software over its estimated useful life of 5 to 10 years on a straight-line basis and amortizes the customer relationships, brands, trade names and intellectual property over their estimated useful lives of 5 years on a straight-line basis.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through business combinations are initially recognized at fair value, based on an allocation of the purchase price. The intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods of the intangible assets are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangible assets
The Company recognizes expenditures on research activities as an expense in the year in which it incurs the expenditures. It recognizes an internally-generated intangible asset arising from development if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset for use or sale;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditures attributable to the intangible asset during its development.

2. Significant Accounting Policies - continued

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Share-based Payments

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements with a corresponding increase in options. The fair value, using the Black Scholes model, determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the Company's estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Share purchase warrants are recorded to warrants on the consolidated statements of financial position when issued and valued using the Black-Scholes model.

Loss Per Share

Basic loss per share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

2. Significant Accounting Policies - continued

Fair Value Measurement of Financial Instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Fair value through profit or loss
Financial assets at fair value through profit or loss ("FVTPL") are measured at their fair value with changes in fair value recognized in net profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

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

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; (cash is measured within level 1 of the hierarchy)
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) for substantially the full term of the asset or liability; and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data and unobservable inputs supported by little or no market activity.

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding at November 30, 2014 and November 30, 2013:

Fair value through profit and loss:

- Cash and cash equivalents
- Contingent consideration payable

Loans and receivables:

- Accounts receivable
- Advances to acquisition target

Other financial liabilities:

- Bank loan
- Accounts payable and accrued liabilities
- Deferred revenue
- Short-term notes
- Equipment loans and leases payable
- Short-term loans
- Convertible debt

Impairment of Non-Financial Assets

Financial assets
A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying value and its fair value. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Recent Accounting Pronouncements

Standards adopted during the year ending November 30, 2014

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC and which were adopted by the Company for the year ending November 30, 2014.

3. Recent Accounting Pronouncements - continued

IFRS 10, Consolidated Financial Statements, replaces the consolidation guidance in IAS 27, Consolidated and Separate Financial Statements, and SIC-12, Consolidation - Special Purpose Entities, by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee for annual periods beginning on or after January 1, 2013.

IFRS 11, Joint Arrangements, introduces new accounting requirements for joint arrangements, replacing IAS 31, Interests in Joint Ventures. It eliminates the option of accounting for jointly controlled entities by proportionate consolidation for annual periods beginning on or after January 1, 2013.

IFRS 12, Disclosure of Interests in Other Entities, requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement, for annual periods beginning on or after January 1, 2013.

IFRS 13, Fair Value Measurement, replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard, for annual periods beginning on or after January 1, 2013. It defines and provides guidance on determining fair value and requires disclosures about fair value measurements, but does not change the requirements regarding which items are measured or disclosed at fair value.

IAS 27, Separate Financial Statements, has been revised to address the presentation of parent company financial statements that are not consolidated financial statements and is effective for annual periods beginning on or after January 1, 2013.

IAS 28, Investments in Associates and Joint Ventures, has been revised and prescribes the accounting treatment for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures and is effective for annual periods beginning on or after January 1, 2013.

The adoption of the above standards did not result in a material change to the reporting of the Company's operations.

Standards issued or amended which will be adopted in future periods

IFRS 9 – Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting. This standard is mandatorily effective from January 1, 2018, with earlier application permitted.

IFRS 15 - Revenue from Contracts with Customers, effective for annual periods beginning on or after January 1, 2017, with early adoption permitted, specifies how and when to recognize revenue and enhances relevant disclosures to be applied to all contracts with customers.

The Company is currently assessing the effects of these new standards and intends to adopt them on their effective dates.

4. Business Combinations and Associate Investments

(a) Acquisition of Logitek Technology Ltd.

On February 6, 2013, the Company closed the acquisition of Logitek.

The Company issued, in satisfaction of the purchase price, 6,698,173 common shares and 1,000,000 common share purchase warrants. The Company and the former shareholder of Logitek, Logitek Data Sciences Ltd., agreed to a contractual escrow arrangement pursuant to which one million common shares would be released on the closing and the balance over a period of 30 months in various amounts at 6 month intervals. The common share warrants have a term of 42 months and an escalating exercise price every 12 months of $0.45, $0.55 and $0.65 during the first three years of the term and at $0.75 for the last six months of the term. The warrants contain performance vesting conditions during their term equating to cumulative revenue and earnings targets of $15.0 million and $3.0 million, respectively. As part of the transaction and in order to retire $651,858 of debt owing by Logitek, the Company issued a five year convertible note in the amount of $651,858 with an annualized interest rate of 3% and an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 from years one through five.

The fair value of consideration transferred is as follows:

Common shares issued (Note 15)	$	2,143,415
Warrants issued (Note 15)		159,500
Convertible debt issued (Note 13)		651,858
Total fair value of consideration paid	**$**	**2,954,773**

The fair value is allocated to assets acquired as follows:

Net tangible assets of Logitek on acquisition	$	163,089
Customer relationships (Note 7)		803,000
Software (Note 6)		1,267,000
Trade names (Note 8)		450,000
Goodwill		878,818
Deferred tax liability (Note 16)		(607,134)
Total fair value allocation	**$**	**2,954,773**

Goodwill is primarily related to growth expectations and Logitek's expected cost synergies.

4. Business Combinations and Associate Investments – continued

Net tangible assets of Logitek on acquisition were as follows:

Assets		
Cash and cash equivalents	$	90,958
Accounts receivable		700,337
Prepaid expenses		2,383
Advances		15,000
Due from related parties		53,706
Equipment (Note 5)		217,203
Equipment under capital leases (Note 5)		152,353
Total assets	**$**	**1,231,940**
Liabilities		
Bank loan	$	228,022
Accounts payable and accrued liabilities		287,831
Deferred revenue		261,953
Income taxes payable		64,741
Equipment loans		149,861
Note payable		10,714
Obligations under capital leases		65,729
Total liabilities	**$**	**1,068,851**
Net tangible assets	**$**	**163,089**

Revenue and net loss before income taxes relating to Logitek for the period from February 6, 2013 to November 30, 2013 amounted to $3,457,140 and $350,031 respectively.

The goodwill of $878,818 has been allocated to the Logitek/Inforica CGU which is part of the Technology Division operating segment disclosed in Note 22.

For purposes of the annual impairment test the Company, for this CGU, applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount. As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2014 and no impairment loss has been recognized.

4. Business Combinations and Associate Investments – continued

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth rate of 1.7% (2013 – 4.0%) and discount rate of 15.8% (2013 - 12.7% and 14.5%).

(b) Acquisition of SOMOS Consulting Group Ltd.

On March 5, 2013 the Company closed the acquisition of SOMOS. The former shareholders of SOMOS received $325,000 in cash, 2,500,000 common shares and 1,000,000 share purchase warrants. The common shares had a fair value of $875,000 based on the closing price on the date of issuance. The commons shares are escrowed over a period of 30 months and released in various amounts at 6 month intervals. The warrants will have a term of 60 months and an escalating exercise price per common share every 12 months of $0.45, $0.55, $0.65, $0.70, and $0.75. In addition, the purchase price also included the Company issuing to the SOMOS shareholders a five year convertible note in the aggregate principal amount of $400,000. The convertible note bears interest at a rate of 3% per annum. Interest is paid quarterly and principal is repaid annually in equal installments. The Convertible Note is convertible into common shares at an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 per common share from years' one through five, respectively.

The fair value of consideration transferred is as follows:

Cash payment	$	325,000
Common shares issued (Note 15)		875,000
Warrants issued (Note 15)		174,100
Convertible note issued (Note 13)		400,000
Total fair value of consideration paid	**$**	**1,774,100**

The fair value is allocated to assets acquired as follows:

Net tangible assets of SOMOS on acquisition	$	727,711
Customer relationships (Note 7)		500,000
Trade names (Note 8)		388,000
Goodwill		268,975
Deferred tax liability (Note 16)		(110,586)
Total fair value allocation	**$**	**1,774,100**

4. Business Combinations and Associate Investments – continued

Net tangible assets of SOMOS on acquisition were as follows:

Assets		
Cash and cash equivalents	$	205,496
Accounts receivable		1,402,865
Prepaid expenses		23,079
Equipment and furniture (Note 5)		15,422
Total assets	**$**	**1,646,862**
Liabilities		
Accounts payable and accrued liabilities	$	879,788
Deferred revenue		39,363
Total liabilities	**$**	**919,151**
Net tangible assets	**$**	**727,711**

Revenue and net loss before income taxes relating to SOMOS for the period from March 5, 2013 to November 30, 2013 was $6,453,293 and $302,252 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $268,975 has been allocated to the SOMOS/Antian CGU which is part of the Technology Division operating segment disclosed in Note 22.

For purposes of the annual impairment test the Company, for this CGU, applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount. As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding include revenue growth ranging from 1.7% to 27.4% (2013 - 4%) and discount rate of 12.2% (2013 - ranging from 10.9% and 12.7%).

(c) Acquisition of Inforica Inc.

On December 2, 2013, the Company acquired 50% of Inforica through a share subscription for an amount of $500,000 made by the Company's wholly owned subsidiary, Logitek. Concurrent with the acquisition, the Company obtained control of Inforica through the appointment of 2 of the 4 members on the board of directors, including the Chairman position which holds the casting vote. The Company has also advanced Inforica additional financing and has appointed common members of management. As a result, for accounting purposes, Inforica is deemed to be controlled by the Company and included in the consolidated financial statement with the non-controlling interest being recognized.

4. Business Combinations and Associate Investments – continued

The fair value of consideration transferred is as follows:

Advance to Inforica	$	500,000
Fair value of royalty liability (note 24)		220,403
Total fair value of consideration paid	**$**	**720,403**

The fair value is allocated to assets acquired as follows:

Net tangible liabilities of Inforica on acquisition	$	(1,449,895)
Customer relationships (Note 7)		500,000
Trade names (Note 8)		270,000
Software (Note 6)		240,000
Backlog		78,000
Non-controlling interest		435,165
Goodwill		935,165
Deferred tax liability (Note 16)		(288,032)
Total fair value allocation	**$**	**720,403**

Net tangible liabilities of Inforica on acquisition were as follows:

Assets		
Cash and cash equivalents	$	231,366
Accounts receivable, net of $65,871 allowance		261,851
Prepaids and deposits		64,316
Equipment		76,914
Total assets	**$**	**634,447**
Liabilities		
Bank indebtedness	$	219,166
Accounts payable and accrued liabilities		172,399
Deferred revenue		85,386
Government remittances and current taxes payable		868,576
Due to related parties		388,815
Preferred shares		350,000
Total liabilities	**$**	**2,084,342**
Net tangible liabilities	**$**	**(1,449,895)**

Revenue and net loss before income taxes relating to Inforica for the period from December 2, 2013 to November 30, 2014 was $2,522,838 and $213,174 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies. The backlog relates to revenue contracts recognized over the period of six month from the acquisition date and included in cost of sales. The non-controlling interest is calculated based on 50% of the net identifiable assets and liabilities upon acquisition.

4. Business Combinations and Associate Investments – continued

The goodwill of $935,165 has been allocated to the Logitek/Inforica CGU which is part of the Technology Division operating segment disclosed in Note 22.

For purposes of the annual impairment test the Company, for this CGU, applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount. As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding include revenue growth ranging from 1.3% to 21.8% and discount rates ranging from 11% to 18%.

The preferred shares are not entitled to any dividends, do not have voting rights and the Company may redeem all or a portion of the preferred share at the original issue price of $350,000. The preferred shares are retractable by the the holder after the fifth anniversary and may be settled in cash upon written notice to the Company. Due to the retraction provision by the holder, the preferred shares have been classified as a financial liability.

(d) Acquisition of Adeeva Nutritionals Canada Inc.

On March 14, 2014, the Company acquired Adeeva and the intellectual property Dr. James Meschino which has been transferred into Meschino Health and Wellness Corporation of which the Company holds at 75% interest.

The Company issued 1,027,418 common shares to acquire all of the debt and outstanding common shares of Adeeva. The common shares had a fair value of $525,000 based on the closing price on the date of issuance. In addition, the Company entered into a royalty agreement with the former debt holders whereby they can earn, in the aggregate, up to $1,000,000 based on 1% of revenues and 3% of gross margin of Adeeva products only, excluding any revenue from the intellectual property (Note 24). The common shares issued by the Company pursuant to this transaction are subject to contractual escrow releases of one third per annum over 36 months.

The royalty liabilities was recorded at fair value based on revenue and gross margin projections on Adeeva products and discounted using a rate of 4.75%. The discount rate was estimated based on the indefinite life of the royalty and the nature of the risk. The expected life of the royalty payments is 17 years.

The fair value of consideration transferred is as follows:

Common shares issued	$	525,000
Fair value of royalty liability		682,000
Total fair value of consideration paid	**$**	**1,207,000**

4. Business Combinations and Associate Investments – continued

The fair value is allocated to assets acquired as follows:		
Net tangible liabilities	$	(119,247)
Customer relationships (Note 7)		170,000
Trade names (Note 8)		270,000
Intellectual property (Note 6)		110,000
Non-compete agreement (Note 8))		30,000
Technology (Note 6)		110,000
Non-controlling interest (25% of Meschino)		(30,500)
Goodwill		620,464
Deferred tax asset (Note 16)		46,283
Total fair value allocation	**$**	**1,207,000**

Net tangible liabilities of Adeeva on acquisition were as follows:		
Assets		
Cash and cash equivalents	$	6,209
Accounts receivable		75,191
Prepaids and deposits		4,098
Inventory		115,341
Equipment		41,483
Total assets	**$**	**242,322**
Liabilities		
Accounts payable and accrued liabilities	$	336,569
Due to Smart Employee Benefits Inc.		25,000
Total liabilities	**$**	**361,569**
Net tangible liabilities	**$**	**(119,247)**

Revenue and net profit before income taxes relating to Adeeva for the period from March 14, 2014 to November 30, 2014 was $1,244,439 and $230,693 respectively. Revenue and net profit before income taxes relating to Meschino for the period from March 14, 2014 to November 30, 2014 was $Nil and $119,542 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $620,464 has been allocated to the Adeeva CGU which is part of the Health Care Division operating segment disclosed in Note 22.

4. Business Combinations and Associate Investments – continued

For purposes of the annual impairment test the Company, for this CGU, applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount. As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding include revenue growth ranging from 1.7% to 10.0% and discount rate of 19.4%.

(e) Acquisition of APS - Antian Professional Services Inc.

On March 1, 2014, the Company acquired 100% of Antian. The transaction terms are cash of $357,701 and a Vendor Take Back Promissory Note ("VTB") in the principal amount of $324,482 paying interest at an annualized rate of 3% with quarterly principal repayments over a 5-year period. The VTB is convertible into common shares at any time at a value of $0.75 per common share during the term of the VTB.

The fair value of consideration transferred is as follows:

Cash payment	$	357,701
Vendor take back promissory note (Note 13)		324,482
Total fair value of consideration paid	**$**	**682,183**

The fair value is allocated to assets acquired as follows:

Net tangible assets	$	619,086
Customer relationships (Note 7)		63,097
Goodwill		16,411
Deferred tax liability (Note 16)		(16,411)
Total fair value allocation	**$**	**682,183**

Net tangible liabilities of Antian on acquisition were as follows:

Assets		
Cash and cash equivalents	$	456,159
Accounts receivable		282,725
Equipment		4,677
Total assets	**$**	**743,561**
Liabilities		
Accounts payable and accrued liabilities	$	124,475
Total liabilities	**$**	**124,475**
Net tangible assets	**$**	**619,086**

4. Business Combinations and Associate Investments – continued

Revenue and net profit before income taxes relating to Antian for the period from March 18, 2014 to November 30, 2014 was $553,879 and $46,353 respectively.

The goodwill of $16,411 has been allocated to the SOMOS/Antian CGU which is part of the Technology Division operating segment disclosed in Note 22.

For purposes of the annual impairment test the Company, for this CGU, applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount. As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding include revenue growth ranging from 1.7% to 27.4% and discount rate of 12.2%.

(f) Acquisition of Stroma Service Consulting Inc.

On June 11, 2014, the Company acquired 100% of Stroma, a company providing consulting services to various clients including the Government of Ontario. The consideration paid was $650,000 in cash; $250,000 in promissory notes paying interest at an annualized rate of 3% with annual principal repayments over a 3 year period and convertible into common shares at $0.50, $0.60 and $0.70 per common share in years one, two and three, respectively; and the issuance of 1,125,000 common shares of the Company. The common shares had a fair value of $562,500 based on the closing price on the date of issuance. In connection with the transaction, 700,000 common share purchase warrants were granted to Mark Sherry, who will continue in his role as President of Stroma, and 300,000 warrants, in the aggregate, were granted to other employees of Stroma. The warrants have a four year term and are exercisable at $0.50, $0.55, $0.60 and $0.70 per common share in years one, two, three and four of the term, respectively.

The fair value of consideration transferred is as follows:		
Cash payment	$	650,000
Common shares issued (Note 15)		562,500
Warrants issued (Note 15)		317,100
Convertible debt issued (Note 13)		250,000
Total fair value of consideration paid	**$**	**1,779,600**

The fair value is allocated to assets acquired as follows:		
Net tangible assets	$	507,932
Trade names (Note 8)		260,000
Customer relationships (Note 7)		660,000
Goodwill		563,324
Deferred tax liability (Note 16)		(211,656)
Total fair value allocation	**$**	**1,779,600**

4. Business Combinations and Associate Investments – continued

Net tangible liabilities of Stroma on acquisition were as follows:

Assets		
Accounts receivable	$	1,421,522
Prepaids and deposits		142,346
Loan receivable		171,085
Equipment		69,478
Total assets	**$**	**1,804,431**
Liabilities		
Bank indebtedness	$	347,547
Accounts payable and accrues liabilities		640,062
Deferred revenue		308,890
Total liabilities	**$**	**1,296,499**
Net tangible assets	**$**	**507,932**

Revenue and net profit before income taxes relating to Stroma for the period from June 11, 2014 to November 30, 2014 was $2,398,576 and $71,926 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $563,324 has been allocated to the Stroma CGU which is part of the Technology Division operating segment disclosed in Note 22.

For purposes of the annual impairment test the Company, for this CGU, applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount. As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding include revenue growth ranging from 3.2% to 8.4% and discount rate of 14.3%.

(g) Investment in Banyan Work Health Solutions Inc.

On November 3, 2014 the Company acquired 50% of Banyan Work Health Solutions Inc. and BITS Licensing Inc. (collectively "Banyan"). The Company has determined to have significant influence of Banyan due to the 50% board representation and 50% of voting rights. There is one other shareholder which also appoints two board members and is responsible for the daily activities. The board requires unanimous consent to pass any special shareholder resolutions. The investment in associate is accounted for using the equity method.

4. Business Combinations and Associate Investments – continued

The purchase price to acquire the 50% equity interest in Banyan was $3.0 million, consisting of $2.0 million of cash and $1.0 million of common shares. A portion of this purchase price was performance based. $1.575 million of the cash portion was paid at closing, while the remaining $425,000 of cash is payable over 4 years, based on Banyan achieving certain earnings performance criteria post-closing. Of the $1.0 million of common share consideration, $750,000 of the shares was released at closing, subject to a contractual escrow over 36 months, while the release of the remaining $250,000 of shares is subject to Banyan achieving the same performance criteria post-closing that is applicable to the cash consideration. The common shares issued, including the escrowed common shares, have been valued at fair value based on the closing market price on the date of issuance. The $425,000 cash payable has been recorded as a contingent payment and recorded at fair value using a discount rate of 4.75%. The $1.0 million of common share consideration consisted of 2,000,000 common shares. If the performance criteria are not achieved by the expiry of the escrow period, all or part of the 500,000 SEB shares subject to the performance escrow will be cancelled, as will be all or part of the $425,000 of performance cash payments. Additionally, 1,000,000 common share purchase warrants were issued as retention warrants to key Banyan employees. The retention warrants have an exercise price of $0.50 per share and a term of 48 months, with one-third of the warrants vesting at the end of each year for the first 36 months. The common share purchase warrants issued to employees has been determined to be part of the consideration and not a normal operating expenditure.

The fair value of consideration transferred is as follows:

Cash payment	$	1,575,000
Common shares issued		1,000,000
Warrants issued		319,200
Contingent liability		378,500
Total fair value of consideration paid	**$**	**3,272,700**

Total carrying amount in investment in associates:

Fair value on acquisition	$	3,272,700
Equity income in associate investments		28,192
Balance, November 30, 2014	**$**	**3,300,892**

Summary of Banyan financial information:

		November 30, 2014
Current assets	$	2,185,994
Non-current assets	$	1,405,935
Current liabilities	$	651,400
Non-current liabilities	$	-
Revenue	$	669,989
Net income before taxes	$	56,384

4. Business Combinations and Associate Investments – continued

Goodwill represents the excess of purchase price over the fair values of the net assets acquired. Due to the complexities in identifying certain intangible assets such as customer lists and intellectual property, and assigning fair values, as well as the limited time since the acquisition, the Company has yet to finalize its assessment of the purchase price allocation. The allocation of the consideration paid for goodwill will be adjusted once a valuation of certain intangible assets has been finalized. Management expects to complete this assessment during fiscal 2015.

(h) Summary of Goodwill

Continuity of goodwill from business combinations as follows:

Logitek Technology Ltd.	$	878,818
SOMOS Consulting Group Ltd.		268,975
Balance, November 30, 2013	**$**	**1,147,793**
Inforica Inc.		935,165
APS - Antian Professional Services Inc.		16,411
Adeeva Nutritionals Canada Inc.		620,464
Stroma Service Consulting Inc.		563,324
Balance, November 30, 2014	**$**	**3,283,157**

No impairment of goodwill recorded during the years ended November 30, 2014 and 2013.

(i) Non-controlling interest

Continuity of non-controlling interest as follows:

Balance, November 30, 2013	$	-
Acquisition of Inforica Inc.		(435,165)
Acquisition of Meschino		30,500
Net loss and comprehensive loss attirbuted to non-controlling interest		(281,302)
Balance, November 30, 2014	**$**	**(685,967)**

5. Equipment

	Nov 30, 2013	Acquire Inforica	Acquire Antian	Acquire Adeeva	Acquire Stroma	Additions	Nov 30, 2014
Cost							
Furniture and office equipment	155,113	6,516	4,677	14,559	9,674	54,030	244,569
Computer hardware	187,541	70,398	-	26,924	59,804	133,018	477,685
Computer hardware under lease	267,786	-	-	-	-	-	267,786
Total	**610,440**	**76,914**	**4,677**	**41,483**	**69,478**	**187,048**	**990,040**
Accumulated depreciation							
Furniture and office equipment	27,636	-	-	-	-	42,136	69,772
Computer hardware	51,850	-	-	-	-	128,986	180,836
Computer hardware under lease	58,611	-	-	-	-	57,332	115,943
Total	**138,097**	**-**	**-**	**-**	**-**	**228,454**	**366,551**
Net balance							
Furniture and office equipment	127,477	6,516	4,677	14,559	9,674	11,894	174,797
Computer hardware	135,691	70,398	-	26,924	59,804	4,032	296,849
Computer hardware under lease	209,175	-	-	-	-	(57,332)	151,843
Total	**472,343**	**76,914**	**4,677**	**41,483**	**69,478**	**(41,406)**	**623,489**

	Nov 30, 2012	Acquire Logitek	Acquire SOMOS	Additions	Nov 30, 2013
Cost					
Furniture and office equipment	6,743	94,800	3,620	49,950	155,113
Computer hardware	32,504	122,403	11,802	20,832	187,541
Computer hardware under lease	-	152,353	-	115,433	267,786
Total	**39,247**	**369,556**	**15,422**	**186,215**	**610,440**
Accumulated depreciation					
Furniture and office equipment	1,412	-	-	26,224	27,636
Computer hardware	8,500	-	-	43,350	51,850
Computer hardware under lease	-	-	-	58,611	58,611
Total	**9,912**	**-**	**-**	**128,185**	**138,097**
Net total	**29,335**	**369,556**	**15,422**	**58,030**	**472,343**

6. Software and Intellectual Property

Software

	Cost				Accumulated Amortization			Net	
	Nov 30, 2013	Acquisition	Adds during year	Nov 30, 2014	Nov 30, 2013	Expense	Nov 30, 2014	Nov 30, 2014	Nov 30, 2013
HCS licence (1)	500,000	-	-	500,000	120,833	50,000	170,833	329,167	379,167
HCS admin system (2)	200,000	-	141,702	341,702	-	-	-	341,702	200,000
Logitek (3)	1,267,000	-	-	1,267,000	105,583	126,700	232,283	1,034,717	1,161,417
Inforica (4)	-	240,000	-	240,000	-	48,000	48,000	192,000	-
Adeeva (5)	-	110,000	-	110,000	-	17,417	17,417	92,583	-
Total	**1,967,000**	**350,000**	**141,702**	**2,458,702**	**226,416**	**242,117**	**468,533**	**1,990,169**	**1,740,584**

	Cost				Accumulated Amortization			Net Balance	
	Nov 30, 2012	Acquisition	Adds during year	Nov 30, 2013	Nov 30, 2012	Expense	Nov 30, 2013	Nov 30, 2013	Nov 30, 2012
HCS licence (1)	500,000	-	-	500,000	70,833	50,000	120,833	379,167	429,167
HCS admin system (2)	-	-	200,000	200,000	-	-	-	200,000	-
Logitek (3)	-	1,267,000	-	1,267,000	-	105,583	105,583	1,161,417	-
Total	**500,000**	**1,267,000**	**200,000**	**1,967,000**	**70,833**	**155,583**	**226,416**	**1,740,584**	**429,167**

1) A license of software which provides the adjudication of health benefit claims ("Adjudication Software"). The License provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada. It is being amortized over 10 years on a straight-line basis.
2) The Company has engaged software development companies to develop computer software to be used by the Company to generate further health benefit processing revenues. The Company will begin amortizing the software when it is ready to be used by the Company to generate revenue.
3) Logitek has developed a number of proprietary pieces of software, particularly in the management of customer's supply-chain in the retail field. The software is being amortized over 10 years on a straight-line basis.
4) Inforica has developed proprietary software, particularly in the field of energy management. Its use is being expanded to include significant Middle East business. It is being amortized over 5 years on a straight-line basis.
5) Adeeva technology consists of product formulations developed. It is being amortized over 5 years on a straight-line basis.

6. Software and Intellectual Property - continued

Intellectual Property

Property acquired with Adeeva; video and written content relating to health issues.

	Cost				Accumulated Amortization			Net	
	Nov 30, 2013	Acquis ition	Adds during year	Nov 30, 2014	Nov 30, 2013	Expense	Nov 30, 2014	Nov 30, 2014	Nov 30, 2013
Intellectual property	**-**	**110,000**	**-**	**110,000**	**-**	**17,417**	**17,417**	**92,583**	**-**

7. Customer Relationships

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2013	Adds	Nov 30, 2014	Nov 30, 2013	Expense	Nov 30, 2014	Nov 30, 2014	Nov 30, 2013
Logitek	803,000	-	803,000	133,833	160,600	294,433	508,567	669,167
SOMOS	500,000	-	500,000	75,000	100,000	175,000	325,000	425,000
Inforica	-	500,000	500,000	-	100,000	100,000	400,000	-
Antian	-	63,097	63,097	-	8,939	8,939	54,158	-
Adeeva	-	170,000	170,000	-	26,917	26,917	143,083	-
Stroma	-	660,000	660,000	-	77,000	77,000	583,000	-
Total	**1,303,000**	**1,393,097**	**2,696,097**	**208,833**	**473,456**	**682,289**	**2,013,808**	**1,094,167**

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2012	Adds	Nov 30, 2013	Nov 30, 2012	Expense	Nov 30, 2013	Nov 30, 2013	Nov 30, 2012
Logitek	-	803,000	803,000	-	133,833	133,833	669,167	-
SOMOS	-	500,000	500,000	-	75,000	75,000	425,000	-
Total	**-**	**1,303,000**	**1,303,000**	**-**	**208,833**	**208,833**	**1,094,167**	**-**

8. Trade Names

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2013	Adds	Nov 30, 2014	Nov 30, 2013	Expense	Nov 30, 2014	Nov 30, 2014	Nov 30, 2013
Logitek	450,000	-	450,000	75,000	90,000	165,000	285,000	375,000
SOMOS	388,000	-	388,000	58,200	77,600	135,800	252,200	329,800
Inforica	-	270,000	270,000	-	54,000	54,000	216,000	-
Adeeva	-	300,000	300,000	-	47,500	47,500	252,500	-
Stroma	-	260,000	260,000	-	30,331	30,331	229,669	-
Total	**838,000**	**830,000**	**1,668,000**	**133,200**	**299,431**	**432,631**	**1,235,369**	**704,800**

8. Trade Names - continued

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2012	**Adds**	**Nov 30, 2013**	**Nov 30, 2012**	**Expense**	**Nov 30, 2013**	**Nov 30, 2013**	**Nov 30, 2012**
Logitek	-	450,000	450,000	-	75,000	75,000	375,000	-
SOMOS	-	388,000	388,000	-	58,200	58,200	329,800	-
Total	**-**	**838,000**	**838,000**	**-**	**133,200**	**133,200**	**704,800**	**-**

9. Bank Indebtedness

On May 13, 2013, the Company entered into credit facility arrangements (the "Facility") with a leading Canadian Chartered Bank, including a revolving credit facility of $1,000,000, plus additional ancillary related facilities of approximately $200,000. The Facility was provided to wholly-owned SOMOS Consulting Group Ltd. and was guaranteed by Logitek and SEB. The Facility accrues interest at 4.875% (bank prime plus 1.875%) and is payable monthly in arrears. The facility was renewed and expanded subsequent to November 30, 2014; see Note 25.

As well, at November 30, 2014, another wholly-owned subsidiary of SEB, Stroma Service Consulting Inc. had a revolving credit facility arrangement with another Canadian Chartered Bank in the amount of up to $600,000. The facility accrues interest at 5% (bank prime plus 2%) and is payable monthly in arrears. The facility was terminated subsequent to November 30, 2014; see Note 25.

10. Deferred Revenue

The bulk of this amount is due to Logitek receiving advance payments from clients for software development work to be done and for licencing revenues and Stroma receiving annual licence fee payments for software. The amounts are recognized as revenue in accordance with the Company's revenue recognition policy.

11. Equipment Leases Payable

Maturity	Monthly Payment	Nov 30, 2014	Nov 30, 2013
2014 May	1,800	-	11,731
2014 Aug	633	-	5,697
2014 Jul	494	-	2,619
2015 May	3,136	15,682	53,317
2015 Aug	1,106	6,570	17,195
2015 Sep	1,010	6,696	16,399
2016 Oct	789	15,311	26,247
		44,258	**133,205**
Current portion of leases payable		**35,260**	**96,659**
Long term portion of leases payable		**8,998**	**36,546**

12. Equipment Loans

Lender	Int Rate	Monthly Payment	Maturity	Nov 30, 2014	Nov 30, 2013
Bank of Montreal	BMO Prime + 1.75%	$3,917	Apr, 2014	$ -	$ 19,583
Bank of Montreal	BMO Prime + 1.75%	$750	May, 2015	4,500	13,500
Business Dev Bank of Canada	BDC floating base rate + 1%	$1,042	Feb, 2017	28,125	40,625
				32,625	**73,708**
Current portion of loans				32,625	73,708
Long term portion of loans				**$ -**	**$ -**

As the loans are due on demand the full balance owing has been classified as current.

13. Convertible Debt

		Maturity Date	Conversion Price	Liability at Fair Value Face Value of Notes	Equity Com-ponent	Warrants	Debt Issue Costs	Liability at Fair Value
(1)	Financing issued December 27, 2012	Dec 27, 2014	$ 0.45	554,000	(56,516)	(16,224)	(54,392)	426,868
(7)	Financing Feb 14, 2014	Feb 14, 2016	$0.50 to Feb 14, 2015 $0.60 to Feb 14, 2016	2,000,000	(240,523)	(147,232)	(248,191)	1,364,054
(4)	Financing May 13, 2013	May 13, 2016	$0.60 to May 13, 2015 $0.75 to May 13, 2016	1,025,000	(143,656)	(75,850)	(87,630)	717,864
(5)	Financing August 30, 2013	May 13, 2016	$0.60 to May 13, 2015 $0.75 to May 13, 2016	725,000	(98,330)	(59,198)	(24,307)	543,165
(6)	Financing September 6, 2013	May 13, 2016	$0.60 to May 13, 2015 $0.75 to May 13, 2016	250,000	(34,531)	(14,875)	(8,540)	192,054
(9)	Acquire Stroma	Jun 6, 2017	$0.50 toJun 6, 2015 $0.60 to Jun 6, 2016 $0.70 to Jun 6, 2017	250,000	(80,802)	-	-	169,198
(2)	Acquisition of QLogitek, Feb 6, 2013	Feb 6, 2018	$0.55 to Feb 6, 2015 $0.65 to Feb 6, 2016 $0.70 to Feb 6, 2017 $0.75 to Feb 6, 2018	651,858	(303,437)	-	-	348,421
(8)	Acquire Antian	Mar 18, 2019	$ 0.75	324,482	(96,230)	-	-	228,252
(3)	Acquisition of SOMOS, March 5, 2013	Mar 5, 2018	$0.55 to Mar 5, 2015 $0.65 to Mar 5, 2016 $0.70 to Mar 5, 2017 $0.75 to Mar 5, 2018	400,000	(186,198)	-	-	213,802
	Totals			**6,180,340**	**(1,240,223)**	**(313,379)**	**(423,060)**	**4,203,678**

13. Convertible Debt - continued

		Liability at Fair Value	Accreted Interest			Converted/ Repayment	Balance	
		Liability at Fair Value	Bal Nov 30 2013	Accretion	Bal Nov 30 2014	Nov 30/14	Nov 30/14	Nov 30/13
(1)	Financing issued December 27, 2012	426,868	55,033	67,091	122,124	-	548,992	481,901
(7)	Financing Feb 14, 2014	1,364,054	-	229,328	229,328	-	1,593,382	-
(4)	Financing May 13, 2013	717,864	49,784	96,675	146,459	-	864,323	767,648
(5)	Financing August 30, 2013	543,165	15,429	62,951	78,380	-	621,545	558,594
(6)	Financing September 6, 2013	192,054	4,615	20,295	24,910	-	216,964	196,669
(9)	Acquire Stroma	169,198	-	11,392	11,392	-	180,590	-
(2)	Acquisition of QLogitek, Feb 6, 2013	348,421	39,601	51,759	91,360	-	439,781	388,022
(8)	Acquire Antian	228,252	-	29,815	29,815	(35,092)	222,975	-
(3)	Acquisition of SOMOS, March 5, 2013	213,802	21,409	164,789	186,198	(400,000)	-	235,211
	Totals	**4,203,678**	**185,871**	**734,095**	**919,966**	**(435,092)**	**4,688,552**	**2,628,045**
	Current portion of convertible debt						678,928	-
	Long term portion of convertible debt						**4,009,624**	**2,628,045**

1) On December 27, 2012 the Company closed a financing of $554,000 worth of convertible notes with a term of 2 years, paying 10% interest per annum, payable quarterly. The notes are convertible into common shares of the Company at $0.45 per share any time during the term of the notes. The Company paid finder's fees of $22,550 in cash, incurred legal costs directly attributed to the issuance of $31,842 and issued 99,777 share purchase warrants to the finder which are exercisable at $0.45 per share for a period of two years. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values. At November 30, 2012, an amount of $30,000 had been advanced towards the convertible notes.

   In arriving at a fair value of the liability component of the convertible notes, the Company used a discount rate of 18% to determine the present value of the debt.

   The equity component of $56,516 arose from the difference between the coupon and effective interest rates and has been recorded as contributed surplus. The difference between the face value and fair value of the notes is being charged against earnings as accreted interest using the effective interest rate method.

   The cost of issuing 99,777 finder warrants have been recorded as warrants in shareholders' equity. The warrants were valued at $16,224 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

13. Convertible Debt - continued

2) On February 6, 2013, the Company closed the acquisition of Logitek (Note 4). As part of the transaction and in order to retire $651,858 of debt owing by Logitek, the Company issued a five year convertible note in the amount of $651,858 with an annualized interest rate of 3%, payable quarterly and an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 from years one through five, respectively.

   The equity component of $303,437 arose from the difference between the coupon and effective interest rates. The difference between the face value and fair value of the notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible notes, the Company used a discount rate of 18% to determine the present value of the debt.

3) On March 5, 2013 the Company announced the closing of the acquisition of SOMOS. The purchase price included the issuance of a five year convertible note in the aggregate principal amount of $400,000. The convertible note bears interest at a rate of 3% per annum. Interest is paid quarterly and principal is repaid annually in equal installments. The convertible note is convertible into common shares of the Company at an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 per common share of from years' one through five, respectively.

   The equity component of $186,198 arose from the difference between the coupon and effective interest rates. The difference between the face value and fair value of the notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible notes, the Company used a discount rate of 18% to determine the present value of the debt.

   On February 28, 2014 the note was fully converted to common shares. Per the terms of the note the conversion rate was $0.45 per share resulting in the issue of 888,887 common shares

4) On May 14, 2013 the Company completed a private placement offering of $1,025,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of SEB (the "Warrants"). The Company paid a finder's fee of $60,000 and legal fees of $27,630. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values. These Notes were issued to two directors of the Company.

   The Warrants are exercisable at any time for a period of 12 months from the date of closing at an exercise price of $0.50 for 1 common share of the Company.

   The Notes have a three year term maturing May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The principal amount of the Notes, to the extent not previously converted or repaid, will, on the Maturity Date, be repayable in its entirety. The Notes are convertible into the common shares of the Company at any time at $0.50 per share in year 1, $0.60 per share in year 2 and $0.75 per share in year 3.

   The equity component of $143,656 arose from the difference between the coupon and effective interest rates and has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt.

13. Convertible Debt - continued

The warrants were valued at $75,850 using the Black-Scholes option-pricing model using the following assumptions: expected life of 12 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

5) On August 30, 2013 the Company issued $725,000 of units, under the terms of a private placement offering totaling $975,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of the Company (the "Warrants"). The Company incurred legal costs directly attributed to the issuance of $24,307 and issued 100,000 share purchase warrants to the finder, exercisable at $0.35 per share for a period of two years. The finder warrants were valued at $16,060 using the Black-Scholes option-pricing model using the following assumptions: expected life of 2 years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values.

   The Warrants are exercisable at any time until May 13, 2014 at an exercise price of $0.50 for 1 common share of the Company.

   The Notes have a three year term maturing May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The principal amount of the Notes, to the extent not previously converted or repaid, will, on the Maturity Date, be repayable in its entirety. The Notes are convertible into the common shares of SEB at any time at $0.50 per share until May 13, 2014, $0.60 per share until May 13, 2015 and $0.75 per share until May 13, 2016.

   The equity component of $98,330 arose from the difference between the coupon and effective interest rates and has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible Notes, the Company has used a discount rate of 18% to determine a discounted present value of the debt.

   The warrants were valued at $43,138 using the Black-Scholes option-pricing model using the following assumptions: expected life of 9 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

6) On September 6, 2013 the Company issued $250,000 of units, under the terms of a private placement offering totaling $975,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of the Company (the "Warrants").

   The Company incurred legal costs directly attributed to the issuance of $8,540. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values.

   The Warrants are exercisable at any time until May 13, 2014 at an exercise price of $0.50 for 1 common share of the Company.

   The Notes have a three year term maturing May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The principal amount of the Notes, to the extent not previously converted or repaid, will, on the Maturity Date, be repayable in its entirety. The Notes are convertible into the common shares of SEB at any time at $0.50 per share until May 13, 2014, $0.60 per share until May 13, 2015 and $0.75 per share until May 13, 2016.

13. Convertible Debt – continued

The equity component of $34,531 arose from the difference between the coupon and effective interest rates and has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt.

The warrants were valued at $14,875 using the Black-Scholes option-pricing model using the following assumptions: expected life of 9 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

7) On February 14, 2014 the Company closed a financing of $2,000,000 of convertible Notes with a term of 2 years, paying 8% interest. The Notes are convertible into common shares of the Company at $0.50 per share during the first year of the Notes, and $0.60 during the second year of the Notes. The Company paid finder's fees of $205,600 in cash and 320,000 share purchase warrants, exercisable at $0.50 per share for a period of three years.

   In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $240,523 at February 12, 2014, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

   The warrants were valued at $147,232 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

8) On March 1, 2014 the Company closed the acquisition of APS - Antian Professional Services. A portion of the consideration was a convertible Note in the amount of $324,482 paying interest at 3% per annum with a term of 5 years. Payments of principal are made quarterly. The note is convertible at any time to SEB common shares during the term at a rate of $0.75 per share.

   In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $96,230, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

9) On June 6, 2014, the Company closed the acquisition of Stroma Service Consulting Inc. Part of the purchase price was $250,000 in promissory notes paying interest at an annualized rate of 3% with annual principal repayments over a 3 year period and convertible into shares of SEB at $0.50, $0.60 and $0.70 per common share of SEB in years one, two and three, respectively

   In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $80,802, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

14. Short-term Notes

The funds were advanced by individuals who were founding shareholders of subsidiaries of the Company; the advances have no set terms of repayment and do not bear interest.

15. Share Capital

(a) Authorized
Unlimited number of common shares

(b) Common shares issued and outstanding

		Number of shares	Amount $
	Balance November 30, 2012	**48,384,677**	**3,657,558**
(1)	Acquisition of Logitek Technology Ltd.	6,698,173	2,143,415
(2)	Equity financing February 27, 2013	3,160,000	1,106,000
(2)	Warrants issued re Equity financing	-	(378,368)
(3)	Acquisition of Somos Consulting Group Ltd.	2,500,000	875,000
(4)	Equity financing November 18, 2013	1,250,000	500,000
(4)	Unit financing warrants and finder warrants	-	(165,648)
	Exercise of warrants	325,000	71,250
	Exercise of options	340,150	69,418
	Balance November 30, 2013	**62,658,000**	**7,878,625**
(5)	Conversion of debt	888,887	586,199
(6)	Acquisition of Adeeva Nutritionals	1,027,418	525,000
(7)	Acquisition of Stroma Service Consulting	1,125,000	562,500
(8)	Acquisition of 50% of Banyan	2,000,000	1,000,000
(9)	$1 million equity unit financing October 29, 2014	2,000,000	1,000,000
(9)	$1 million equity unit financing warrants	-	(350,227)
(10)	$2 million equity unit financing October 29 and November 6, 2014	4,000,000	2,000,000
(10)	$2 million equity unit financing warrants	-	(697,904)
	Exercise of warrants	5,091,388	2,495,083
	Exercise of options	183,250	93,856
	Balance November 30, 2014	**78,973,943**	**15,093,132**

1) On February 6, 2013 the Company closed the acquisition of Logitek. As part of the purchase price the Company issued 6,698,173 common shares valued at $2,143,415.

2) On February 27, 2013 SEB closed a financing of $1,106,000 consisting of 3,160,000 Units at $0.35 per Unit where each Unit consists of 1 common share and 1 common share purchase warrant. The common share purchase warrants are exercisable over a four year period at a price of $0.50 in year one, $0.55 in year two, $0.65 in year three and $0.75 in year four. The Company paid finder's fees of $50,050 cash, incurred legal costs directly attributable to the financing of $43,078 and issued 286,000 warrants, exercisable at $0.35 per share for a period of two years from closing.

15. Share Capital - continued

3) On March 5, 2013 the Company closed the acquisition of SOMOS for consideration which included 2,500,000 common shares valued at $875,000, valued at $0.35 per common share which was the closing value on the date of the transaction.

4) On November 18, 2013, SEB closed an equity private placement of $500,000, consisting of 1,250,000 units at a purchase price of $0.40 per unit, with each unit consisting of 1 common share of and 1 common share purchase warrant. Each share purchase warrant is exercisable for 1 common share of SEB at any time for a three (3) year term from the date of closing at an exercise price of $0.50 in year one, $0.55 in year two, and $0.65 in year three.

   The Company paid finder's fees of $25,000 cash, incurred legal costs directly attributable to the financing of $29,742 and issued 75,000 finder warrants, exercisable at $0.40 per share for a period of two years from closing.

5) On February 28, 2014 a convertible note payable of $400,000 was converted to common shares. Per the terms of the note the conversion rate was $0.45 per share resulting in the issue of 888,887 common shares. The fair value attributed to the conversion portion of $186,198 has been fully accreted and reclassified from contributed surplus to share capital.

6) On March 14, 2014 SEB acquired Adeeva Nutritionals Canada Inc. ("Adeeva") and the Wellness assets and business of Dr. James Meschino Health and Wellness. SEB issued $525,000 of SEB shares at a price of $0.51 per share to acquire all of the debt and issued and outstanding shares of Adeeva, resulting in the issuance of 1,027,418 shares. The SEB shares issued pursuant to this transaction are subject to contractual escrow releases of one third per annum over 36 months. The common shares had a fair value of $525,000 based on the closing price on the date of issuance.

7) On June 11, 2014 the Company acquired 100% of Stroma Service Consulting Inc. As part of the purchase price, the Company issued 1,125,000 shares, valued at $562,500.

8) On November 4, 2014 the Company acquired 50% of Banyan Work Health Solutions Inc. and BITS Licensing Inc. As part of the purchase price, the Company issued 2,000,000 shares valued at $1,000,000. The 1,500,000 of the total shares issued were released at closing and are subject to a 36 month contractual escrow. The remaining 500,000 shares are escrowed and will be released over a period 4 years, based on Banyan achieving certain earnings performance criteria post-closing.

9) On October 29, 2014 the Company closed a financing of $1,000,000 of Equity Units. The Equity Units were issued at $0.50 per unit and each Unit consists of one SEB common share and one SEB common share purchase warrant exercisable for a period of 36 months at $0.60 per share for year one and year two and $0.75 per share for year three.

10) On October 29, 2014 and November 6, 2014, the Company closed a financing of $2,000,000 consisting of 4,000,000 Equity Units. The Equity Units were issued at $0.50 per unit and each Equity Unit consists of one SEB common share and one SEB common share purchase warrant exercisable for a period of 36 months at $0.60 per share for year one and year two and $0.75 per share for year three. As part of the financing, SEB issued 200,000 finders warrants exercisable at $0.50 per share for a period of 24 months. The Company incurred legal costs directly attributable to the financing of $55,858.

15. Share Capital - continued

(c) Share purchase warrants

			Number of Warrants Outstanding					
			Nov 30, 2013	Activity During Period			Nov 30, 2014	
	Exercise Price	Expiry	Outstanding	Issued	Expired	Exercised	Outstanding	Exercisable
(6)	$ 0.50	May 13, 2014	1,025,000	-	-	1,025,000	-	-
(7)	$ 0.50	May 13, 2014	725,000	-	629,000	96,000	-	-
(8)	$ 0.50	May 13, 2014	250,000	-	250,000	-	-	-
	$ 0.30	May 31, 2014	1,280,000	-	-	1,280,000	-	-
	$ 0.30	May 31, 2014	1,695,000	-	-	1,695,000	-	-
	$ 0.30	July 11, 2014	649,167	-	-	649,167	-	-
(1)	$ 0.45	Dec 27, 2014	99,777	-	-	21,222	78,555	78,555
(4)	$ 0.35	Feb 27, 2015	286,000	-	-	-	286,000	286,000
	$ 0.65	Jul 11, 2015	6,491,667	-	-	-	6,491,667	6,491,667
(9)	$ 0.35	Aug 30, 2015	100,000	-	-	-	100,000	100,000
(11)	$ 0.40	Nov 14, 2015	75,000	-	-	-	75,000	75,000
(2)	$0.55 to Feb 6, 2015 $0.65 to Feb 6, 2016 $0.75 to Aug 6, 2016	Aug 6, 2016	1,000,000	-	-	-	1,000,000	-
(16)	$ 0.50	Oct 29, 2016	-	200,000	-	-	200,000	200,000
(10)	$0.55 to Nov 14, 2015 $0.65 to Nov14, 2016	Nov 14, 2016	1,250,000	-	-	-	1,250,000	1,250,000
(12)	$ 0.50	Feb 12, 2017	-	320,000	-	-	320,000	320,000
(3)	$0.55 to Feb 27, 2015 $0.65 to Feb 27, 2016 $0.75 to Feb 27, 2017	Feb 27, 2017	3,160,000	-	-	-	3,160,000	3,160,000
(15)	$0.60 to Oct 29, 2016 $0.75 to Oct 29, 2017	Oct 29, 2017	-	2,000,000	-	-	2,000,000	2,000,000
(16)	$0.60 to Oct 29, 2016 $0.75 to Oct 29, 2017	Oct 29, 2017	-	3,050,000	-	-	3,050,000	3,050,000
(16)	$0.60 to Nov 6, 2016 $0.75 to Nov 6, 2017	Nov 6, 2017	-	950,000	-	-	950,000	950,000
(5)	$0.55 to Mar 1, 2015 $0.65 to Mar 1, 2016 $0.70 to Mar 1, 2017 $0.75 to Mar 1, 2018	Mar 1, 2018	1,000,000	-	-	325,000	675,000	675,000
(13)	$0.50 to Jun 6, 2015 $0.55 to Jun 6, 2016 $0.60 to Jun 6, 2017 $0.70 to Jun 6, 2018	Jun 6, 2018	-	1,000,000	-	-	1,000,000	1,000,000
(14)	$ 0.50	Nov 4, 2018	-	1,000,000	-	-	1,000,000	-
			19,086,611	**8,520,000**	**879,000**	**5,091,389**	**21,636,222**	**19,636,222**
Weighted average exercise price per share			**$ 0.47**	**$ 0.57**	**$ 0.50**	**$ 0.36**	**$ 0.58**	**$ 0.58**

1) On December 27, 2012 the Company closed a financing of $554,000 worth of convertible notes The Company issued 99,777 share purchase warrants to the finder which are exercisable at $0.45 per share for a period of two years. The cost of issuing 99,777 finder warrants have been recorded as warrants in shareholders' equity. The warrants were valued at $16,224 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

15. Share Capital - continued

2) On February 6, 2013 SEB closed the acquisition of Logitek. As part of the price, the Company issued, 1,000,000 share purchase warrants. The warrants have a term of 42 months and an escalating exercise price every 12 months of $0.45, $0.55 and $0.65 during the first three years of the term and at $0.75 for the last six months of the term. These warrants contain performance vesting conditions during their term equating to revenue and earnings targets. See Note 4(a). The warrants were valued at $159,500 using the Black-Scholes option-pricing model using the following assumptions: expected life of 42 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The Company has recorded $159,500 which equates to the value attributable to the number of warrants the Company estimates will ultimately vest.

3) On February 27, 2013 the Company closed an equity financing of $1,106,000 consisting of 3,160,000 units at $0.35 per unit where each unit consists of one common share and one common share purchase warrant. The common share purchase warrants are exercisable over a four year period at a price of $0.50 in year one, $0.55 in year two, $0.65 in year three and $0.75 in year four. The warrants were valued at $378,368 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

4) The Company paid finder's fees in connection with the $1,106,000 equity financing, including 286,000 agent warrants, exercisable at $0.35 per share for a period of two years from closing. The warrants were valued at $37,752 using the Black-Scholes option-pricing model using the following assumptions: expected life of 2 years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

5) On March 5, 2013 the Company closed the acquisition of SOMOS. As part of the purchase price the Company issued 1,000,000 warrants. The warrants have a term of 60 months and an escalating exercise price every 12 months of $0.45, $0.55, $0.65, $0.70 and $0.75 during the term. The warrants were valued at $174,100 using the Black-Scholes option-pricing model using the following assumptions: expected life of 5 years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

6) On May 14, 2013 the Company completed a private placement offering of $1,025,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of SEB (the "Warrants"). The Warrants are exercisable at any time for a period of 12 months from the date of closing at an exercise price of $0.50 for 1 common share of the Company. The warrants were valued at $75,850 using the Black-Scholes option-pricing model using the following assumptions: expected life of 12 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

7) On August 30, 2013 the Company issued $725,000 of units, under the terms of a private placement offering totaling $975,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of the Company (the "Warrants"). The Warrants are exercisable at any time until May 13, 2014 at an exercise price of $0.50 for 1 common share of the Company. The warrants were valued at $43,138 using the Black-Scholes option-pricing model using the following assumptions: expected life of 9 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

15. Share Capital - continued

8) On September 6, 2013 the Company issued $250,000 of units, under the terms of a private placement offering totaling $975,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of the Company (the "Warrants"). The Warrants are exercisable at any time until May 13, 2014 at an exercise price of $0.50 for 1 common share of the Company. The warrants were valued at $14,875 using the Black-Scholes option-pricing model using the following assumptions: expected life of 9 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

9) In conjunction with the August 30, 2013 and September 6, 2013 financings, the Company issued 100,000 share purchase warrants to a finder, exercisable at $0.35 per share for a period of two years. The finder warrants were valued at $16,060 using the Black-Scholes option-pricing model using the following assumptions: expected life of 2 years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

10) On November 18, 2013, the Company closed an equity financing of $500,000 consisting of 1,250,000 units at $0.40 per unit where each unit consists of one common share and one common share purchase warrant. The common share purchase warrants have a term of 36 months and an escalating exercise price every 12 months of $0.50, $0.55, and $0.65 during the term. The warrants were valued at $165,648 using the Black-Scholes option-pricing model using the following assumptions: expected life of 36 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

11) In conjunction with the issue of the $500,000 of Units, the Company paid 75,000 finder warrants exercisable for 24 months from closing at $0.40 for 1 common share of the Company. The finder warrants were valued at $12,945 using the Black-Scholes option-pricing model using the following assumptions: expected life of 24 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

12) On February 14, 2014 the Company closed a financing of $2,000,000 of convertible Notes. The Company paid 320,000 share purchase warrants as finder’s fees exercisable at $0.50 per share for a period of three years. The warrants were valued at $147,232 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

13) On June 11, 2014 the Company acquired 100% of Stroma Service Consulting Inc. In connection with the transaction, 1,000,000 SEB share purchase warrants were granted to employees of Stroma. The warrants have a four year term and are exercisable at $0.50, $0.55, $0.60 and $0.70 per common share of SEB in years one, two, three and four of the term, respectively. The warrants were valued at $317,100 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

15. Share Capital - continued

14) On November 4, 2014 the Company acquired 50% of Banyan Work Health Solutions Inc. and BITS Licensing Inc. As part of the purchase price, the Company issued 1,000,000 share purchase warrants as retention warrants to key Banyan employees. The retention warrants have an exercise price of $0.50 per share and a term of 48 months, with one-third of the warrants vesting at the end of each year for the first 36 months. The warrants were valued at $319,200 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

15) On October 29, 2014 the Company closed a financing of $1,000,000 of Equity Units. The Equity Units were issued at $0.50 per unit and each Unit consists of one SEB common share and one SEB common share purchase warrant exercisable for a period of 36 months at $0.60 per share for year one and year two and $0.75 per share for year three. The warrants were valued at $350,227 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

16) On October 29, 2014 and November 6, 2014, the Company closed a financing of $2,000,000 of Equity Units. The Equity Units were issued at $0.50 per unit and each Equity Unit consists of one SEB common share and one SEB common share purchase warrant exercisable for a period of 36 months at $0.60 per share for year one and year two and $0.75 per share for year three. As part of the financing, SEB issued 200,000 finders warrants exercisable at $0.50 per share for a period of 24 months. The warrants were valued at $697,904 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The finder warrants were valued at $52,540 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

15. Share Capital - continued

(d) Share purchase options

The SEB stock option plan (the "Plan") is administered by the Board of Directors of the Company which establishes the exercise prices, vesting conditions and expiry date of the options. The number of common shares reserved for issuance under the Plan at November 30, 2014 is 7,897,394. At November 30, 2014, the Company had 7,094,000 options issued and outstanding under the terms of the Plan.

			Number of Options Outstanding					
	Exercise Price	Expiry	Nov 30, 2013 Outstanding	Issued Total	Expired	Exercised Total	Nov 30, 2014 Outstanding	Nov 30, 2014 Exercisable
	$ 0.34	May 31, 2014	50,000	-	-	(50,000)	-	-
	$ 0.33	Nov 22, 2014	50,000	-	-	(50,000)	-	-
iv	$ 0.35	Jul 24, 2015	50,000	-	-	-	50,000	50,000
	$ 0.33	Aug 16, 2015	400,000	-	-	-	400,000	400,000
	$ 0.34	Sep 13, 2015	200,000	-	-	-	200,000	200,000
v	$ 0.40	Nov 23, 2015	-	240,000	-	-	240,000	240,000
vi	$ 0.60	Feb 7, 2016	-	400,000	-	-	400,000	300,000
i	$ 0.35	Mar 15, 2016	300,000	-	-	-	300,000	220,000
	$ 0.20	Apr 5, 2016	87,000	-	-	-	87,000	87,000
ii	$ 0.35	Apr 23, 2016	1,115,250	-	-	(83,250)	1,032,000	752,250
iii	$ 0.35	Apr 23, 2016	100,000	-	-	-	100,000	80,000
vii	$ 0.50	Feb 7, 2017	-	300,000	-	-	300,000	75,000
viii	$ 0.58	Mar 31, 2017	-	130,000	-	-	130,000	32,500
ix	$ 0.58	Mar 31, 2017	-	100,000	-	-	100,000	75,000
x	$ 0.42	Jul 24, 2017	-	250,000	-	-	250,000	37,500
xi	$ 0.50	Sep 5, 2017	-	200,000	-	-	200,000	-
xii	$ 0.50	Oct 23, 2017	-	200,000	-	-	200,000	100,000
xiii	$ 0.50	Oct 23, 2017	-	505,000	-	-	505,000	-
xiv	$ 0.50	Oct 23, 2017	-	600,000	-	-	600,000	120,000
xv	$ 0.50	Oct 24, 2017	-	1,400,000	-	-	1,400,000	1,000,000
xvi	$ 0.50	Oct 24, 2017	-	600,000	-	-	600,000	600,000
		avg. 2.16 years	**2,352,250**	**4,925,000**	**-**	**(183,250)**	**7,094,000**	**4,369,250**
	Weighted avg exercise price		**$ 0.34**	**$ 0.50**	-	**$ 0.34**	**$ 0.45**	**$ 0.44**

i. On March 15, 2013, the Company granted 300,000 options exercisable until March 15, 2016 at an exercise price of $0.35 per share. 100,000 of these stock options vest as follows: 20,000 immediately and 20,000 every three months until all are fully vested. 200,000 of these stock options vest as follows: 40,000 90 days after grant date and 40,000 every six months until all are fully vested. The stock options were valued at $66,180 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 1.03%, expected dividend yield of 0%, and expected volatility of 100%.

ii. On April 23, 2013, the Company granted 1,119,000 stock options exercisable until April 23, 2016 at an exercise price of $0.35 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $197,839 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

15. Share Capital - continued

iii. On April 23, 2013, the Company granted 100,000 options exercisable until April 23, 2016 at an exercise price of $0.32 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $22,060 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

iv. On July 24, 2013, the Company granted 50,000 options exercisable until July 24, 2016 at an exercise price of $0.40 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $10,840 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

v. On January 23, 2014, the Company granted 240,000 options exercisable until November 23, 2015 at an exercise price of $0.40 per share. The stock options vested on issue. The stock options were valued at $45,648 using the Black-Scholes option-pricing model with the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

vi. On February 7, 2014, the Company granted 400,000 options exercisable until February 7, 2016 at an exercise price of $0.60 per share. The stock options vested 100,000 on issue, 100,000 after 3 months, 100,000 after 6 months and 100,000 after 1 year. The stock options were valued at $132,200 using the Black-Scholes option-pricing model with the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

vii. On February 7, 2014, the Company granted 300,000 options exercisable until February 7, 2017 at an exercise price of $0.50 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $122,730 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

viii. On March 31, 2014, the Company granted 130,000 options exercisable until March 31, 2017 at an exercise price of $0.58 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $38,961 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

ix. On March 31, 2014, the Company granted 100,000 options exercisable until March 31, 2017 at an exercise price of $0.58 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $25,280 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

x. On July 24, 2014, the Company granted 250,000 options exercisable until July 24, 2017 at an exercise price of $0.42 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $61,135 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

15. Share Capital - continued

xi. On September 5, 2014, the Company granted 200,000 options exercisable until September 5, 2017 at an exercise price of $0.50 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $46,060 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xii. On October 23, 2014, the Company granted 200,000 options exercisable until October 23, 2017 at an exercise price of $0.45 per share. The stock options vest 100,000 on issue and 100,000 after 1 year. The stock options were valued at $55,500 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xiii. On October 23, 2014, the Company granted 505,000 options exercisable until October 23, 2017 at an exercise price of $0.45 per share. The stock options vest 25% every 6 months from the grant date. The stock options were valued at $140,138 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xiv. On October 23, 2014, the independent directors of the Company were granted an aggregate of 600,000 options exercisable until October 23, 2017 at an exercise price of $0.50 per share. The stock options vest 120,000 on issue and 120,000 each 3 months until fully vested. The stock options were valued at $166,500 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xv. On October 24, 2014, the Company granted 1,400,000 options exercisable until October 24, 2017 at an exercise price of $0.50 per share. The stock options vest 1,000,000 on issue and 400,000 after 6 months. The stock options were valued at $344,260 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xvi. On October 24, 2014, the Company granted 600,000 options exercisable until October 24, 2017 at an exercise price of $0.50 per share. The stock options vest on issue. The stock options were valued at $147,540 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

(e) Loss per Share

The weighted average number of common shares outstanding for the year ending November 30, 2014 was 68,046,280 and for the year ending November 30, 2013 was 58,754,132.

The dilutive effect of options and warrants outstanding was not included as it would serve to reduce the loss per share reported.

16. Deferred Taxes

a) The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate for the years ended November 30 is as follows:

		2014		2013
Net loss before recovery of income taxes	$	7,347,128	$	4,272,274
Expected income tax recovery	$	(1,946,990)	$	(1,132,153)
Tax rate changes and other adjustments		110,600		8,147
Non-deductible expenses		258,480		(157,192)
Change in tax benefits not recognized		1,319,980		969,634
Income tax (recovery) expense	$	(257,930)	$	(311,563)

The Company's income tax (recovery) is allocated as follows:

Current tax (recovery) expense	$	-	$	-
Deferred tax (recovery) expense		(257,930)		(311,563)

The 2014 statutory tax rate of 26.5% is consistent with the 2013 statutory tax rate of 26.5%.

b) **Deferred tax**

The following table summarizes the components of deferred tax:

Deferred Tax Assets				
Property, plant and equipment	$	-	$	59,991
Non-capital losses carried forward		669,090		439,962
Other		12,220		-

16. Deferred Taxes - continued

Deferred Tax Liabilities				
Intellectual property	$	(34,580)	$	-
Equipment		(36,190)		-
Trade names		(321,010)		(186,772)
Software development		(298,730)		(307,775)
Goodwill		(106,000)		-
Customer relationships		(431,970)		(289,954)
Royalty liability		(11,400)		-
Capital leases		(26,437)		(27,546)
Convertible Debenture		(280,020)		(259,120)
Net deferred income tax liabilities	$	(865,027)	$	(571,214)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

		2014		**2013**
Balance at the beginning of the year	$	(571,214)	$	-
Recognized in profit/loss		257,930		311,563
Recognized in equity		(81,927)		(165,387)
Goodwill		(469,816)		(717,390)
Balance at the end of the year	$	(865,027)	$	(571,214)

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Non-capital losses carried forward	$	9,663,440	$	5,492,367
Share issue and financing fees		9,21,370		748,190
SR&ED pool		812,120		-
Property, plant and equipment		597,020		527,350
Customer relationships		41,890		-
Intangible Asset		34,910		19,990

16. Deferred Taxes - continued

The Canadian non-capital loss carry forwards expire between 2030 and 2034. Share issue and financing costs will be fully amortized in 2018. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is more likely than not that future taxable profit will be available against which the group can utilize the benefits therefrom.

17. Financial Instruments

Fair Values

The Company's financial instruments consisting of cash and cash equivalents, accounts receivable, advances to acquisition target., bank loan, accounts payable and accrued liabilities, short-term notes and equipment loans due to the short-term nature of these financial instrumentsThe fair values of the convertible debt approximate their carrying values

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk. To mitigate this risk the Company reviews the creditworthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers and economic circumstances.

As at November 30, 2014 the allowance for doubtful accounts was $92,291 (2013 - $NIL) and the accounts that were past due amounted to $815,861 (2013 - $35,559).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The bank loan bears interest at floating rates and as such is subject to interest rate cash flow risk resulting from market fluctuations in interest rates. A 1% appreciation (depreciation) in the interest rate would result in a change in interest expense of approximately of $14,900.

17. Financial Instruments - continued

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing. The Company has disclosed in Note 1 to these consolidated financial statements the existence of circumstances which cast significant doubt on its ability to continue as a going concern.

18. Capital Management

The Company's capital consists of share capital, contributed surplus, options and warrants in the amount of $20,354,699 at November 30, 2014 ($11,597,001 at November 30, 2013). The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company is not subject to any externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

19. Related Party Transactions and Balances

Bevertec CST Inc.

Bevertec is a related party to the Company by virtue of holding approximately 12% of the common shares of the Company. A Director of the Company is also an officer and director of Bevertec. In addition, $64,224 in revenue recorded by the Company in these consolidated financial statements (2013 - $187,118) was derived from transactions with Bevertec.

Key Management Compensation

Three shareholders of the Company, one acting in the capacity of President, Chief Executive Officer and Chief Information Officer, and another acting in a capacity of Chief Financial Officer, Chief Operating Officer and Corporate Secretary and the other as Chief Executive Officer of a subsidiary of the Company, were paid management fees during the period December 1, 2013 to November 30, 2014 totalling $606,000 ($402,000 during the period December 1, 2012 to November 30, 2013). The President, Chief Executive Officer and Chief Information Officer is also a director of the Company. As at November 30, 2014 the amount remaining unpaid was $70,625 (2013 - $15,000) and is included in accounts payable and accrued liabilities.

As at November 30, 2014 there is a balance owing from a director of the Company in the amount of $112,539 (2013 - $69,087) and is included in accounts receivable.

Director fees for the Company were accrued in the amount of $187,000 ($161,304 during the year ending November 30, 2013). As at November 30, 2014 the amount remaining unpaid was $187,000 (2013 - $46,625) and is included in accounts payable and accrued liabilities.

The stock-based compensation expense includes $209,830 (November 30, 2013 - $60,557) related to stock-options issued to directors and officers.

19. Related Party Transactions and Balances - continued

Issuance of Common Shares

Directors of the Company acquired $1,025,000 worth of common shares issued in fiscal 2014 through announced private placements.

20. Net Change in Non-cash Working Capital Items and Supplemental Disclosure

		2014		*2013*
Accounts receivable	$	(208,435)	$	(433,622)
Inventory		19,516		-
Prepaid and deposits		(369,314)		(8,372)
Accounts payable and accrued liabilities		1,061,879		350,273
Deferred revenue		(29,045)		54,973
Government remiattances and current income taxes payable		(113,671)		(44,555)
Total	**$**	**360,930**	**$**	**(81,303)**

Supplemental disclosure of cash flow information:

		2014		*2013*
Cash paid during the period for:				
Interest paid	$	537,585	$	246,958
Non-cash transactions during the period:				
Common shares issued in business combinations	$	1,087,500	$	3,018,415
Common shares issued to acquire associate investments	$	1,000,000	$	-
Warrants issued in business combinations	$	317,100	$	333,600
Warrants issued to acquire associate investments	$	319,200	$	-
Face value of convertible debt issued in business combinations	$	574,482	$	1,051,858
Fair value of convertible debt converted into common shares	$	586,198	$	-
Warrants exercised in lieu of cash	$	120,000	$	-

21. Commitments and Contingencies

Commitments at November 30, 2014 consist of the following:

	Short Term Notes	Convertible loans	Equipment leases	Premise leases	Equipment loans	Total
Fiscal 2015	7,099	699,296	35,260	749,117	17,000	1,507,772
Fiscal 2016	-	4,147,198	8,998	714,362	12,500	4,883,058
Fiscal 2017	-	149,157	-	772,958	3,125	925,240
Fiscal 2018	-	719,702	-	802,256	-	1,521,958
Fiscal 2019	-	29,893	-	361,455	-	391,348
Total	**$ 7,099**	**$ 5,745,246**	**$ 44,258**	**$ 3,400,148**	**$ 32,625**	**$ 9,229,376**

21. Commitments and Contingencies - continued

Software Licencing Agreement

Effective July 1, 2011, the Company entered into a licence agreement ("Licence") with Bevertec, CST Inc. ("Bevertec") a shareholder of the Company, to acquire from Bevertec the licence of a software platform which provides the adjudication of health benefit claims ("Adjudication Software"). The Licence provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada.

The price paid under the terms of the Licence was a payment of $500,000 and then a royalty stream of payments ("Royalty") payable as follows: up to $0.5 million based on 1% of the first $50 million of sales revenue; up to $2 million based on 2% the next $100 million in sales revenue; and up to $5 million based on 3% of the next $167 million of sales revenue. As of November 30, 2014 no amounts have been paid.

This asset is recorded as software (Note 6).

Legal Proceedings

Subsequent to the year end, a Californian entity commenced legal proceeding against Adeeva Nutritionals Canada Inc. ("Adeeva") claiming $2,400,000 in damages exclusive of costs and expenses for allegedly failing to warn consumers of the lead content in two Adeeva supplement products. The plaintiff is characterized as a "private attorney general enforcer who brings this action in the 'public' interest." The litigation is brought pursuant to California's legislation "The Safe Drinking Water and Toxic Enforcement Act of 1986", better known as "Proposition 65". This is a unique California law that management believes is being exploited by a handful of law firms who specialize in Proposition 65 lawsuits.

There is also an exemption for "Businesses with Nine or Few Employees". Proposition 65 recognizes that this exemption could apply to many supplement companies, as the industry is made up of many small businesses. Adeeva is a company with less than nine employees, and as such falls within this exemption. Additionally, Adeeva's products are tested regularly by Adeeva's manufacturers and all of the products fall within all "safe harbour" guidelines both in Canada and throughout the USA. The law also recognizes that many of the 800+ "Proposition 65 Chemicals" occur naturally in the environment. One of these chemicals is "lead". Management's assessment is the majority of claims related to lead.

Company Management believe the lawsuit is frivolous and without merit and as a result no amounts have been accured in the consolidated financial statements. Additionally, the Company believes it meets the exemption of a "Business with Nine or Fewer Employees". The Company is in the process of engaging legal counsel to have the claims dismissed.

22. Segment Disclosures

The Company organizes its reporting structure into three reportable segments. The reportable segments have been adjusted for significant business acquisitions and different revenue streams. For management purposes, the Company is organized into divisions based on their products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Company has three reportable operating segments as follows:

- Health Care division provides software, solutions, services and products focused on managing group benefit and wellness solutions and healthcare claims processing environments for corporate and government clients.
- Technology division provides solutions in the areas of supply change management, integration and energy, as well as training and resource provisioning and supports the Health Care division.
- The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees.

In fiscal 2013 the Company reported under four segments as follows:

- Benefits division provides software, solutions and services specializing in managing group benefit solutions and healthcare claims processing environments for corporate and government clients.
- Supply chain solutions provides integration solutions surrounding planning, buying, making, paying, moving, and selling through a suite of products and services.
- Project management division offers management solutions, professional services, training and project management solutions to corporate and government clients in technology, aerospace and defense, and government, both federal and provincial.
- The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees.

The change in reporting segments present for fiscal 2013 reflects the change in how the business is operated, managed and evaluated by the Chief Executive Officer of the Company as at November 30, 2014.

22. Segment Disclosures - continued

As at November 30, 2014	Health Care Division	Technology Division	Corporate	Total
Current assets	$ 477,339	$ 5,380,782	$ 198,487	$ 6,056,608
Long-term deposits	-	275,352	-	275,352
Equipment	29,241	594,248	-	623,489
Acquired software	763,452	1,226,717	-	1,990,169
Customer relationships	143,083	1,870,725	-	2,013,808
Trade names	252,500	982,869	-	1,235,369
Intellectual property	92,583	-	-	92,583
Investment in associates	3,300,892	-	-	3,300,892
Goodwill	620,464	2,662,693	-	3,283,157
Total assets	**$ 5,679,554**	**$ 12,993,386**	**$ 198,487**	**$ 18,871,427**
Current liabilities	$ 653,060	$ 6,207,571	$ 1,470,841	$ 8,331,472
Total liabilities	**$ 653,060**	**$ 6,728,288**	**$ 7,321,328**	**$ 14,702,676**
Revenues	$ 1,328,292	$ 18,693,928	$ -	$ 20,022,220
Cost of revenues	(492,580)	(15,250,842)	-	(15,743,422)
Operating costs	(1,700,380)	(3,757,850)	(2,619,169)	(8,077,399)
Loss before items below	**(864,668)**	**(314,764)**	**(2,619,169)**	**(3,798,601)**
Interest	(32,413)	(96,845)	(417,557)	(546,815)
Share-based compensation	-	-	(975,043)	(975,043)
Amortization	(138,587)	(893,833)	-	(1,032,420)
Depreciation	(39,323)	(189,131)	-	(228,454)
Accretion of interest	-	(41,891)	(752,096)	(793,987)
Equity in associate investments	-	-	28,192	28,192
Income tax recovery	-	-	257,930	257,930
Net loss and comprehensive loss	**$ (1,074,991)**	**$ (1,536,464)**	**$ (4,477,743)**	**$ (7,089,198)**

22. Segment Disclosures - continued

As at November 30, 2013	Health & Wellness	Technology	Corporate	Total
Current assets	$ 102,462	$ 2,556,906	$ 232,396	$ 2,891,764
Advances to acquisition target	240,000	480,000	29,892	749,892
Equipment	32,759	439,584	-	472,343
Acquired software	579,167	1,161,417	-	1,740,584
Customer relationships	-	1,094,167	-	1,094,167
Trade names	-	704,800	-	704,800
Goodwill	-	1,147,793	-	1,147,793
Total assets	**$ 954,388**	**$ 7,584,667**	**$ 262,288**	**$ 8,801,343**
Current liabilities	$ 43,825	$ 2,793,569	$ 457,562	$ 3,294,956
Total liabilities	**$ 43,825**	**$ 2,830,115**	**$ 3,656,821**	**$ 6,530,761**
Revenue	$ 243,106	$ 9,910,433	$ -	$ 10,153,539
Cost of revenues	(244,992)	(7,715,571)	-	(7,960,563)
Operating costs	(1,920,502)	(2,241,146)	(1,031,525)	(5,193,173)
Share-based compensation	-	-	(265,717)	(265,717)
Interest	(49,499)	(36,801)	(108,388)	(194,688)
Amortization	(50,000)	(447,616)	-	(497,616)
Depreciation of equipment	(6,603)	(121,582)	-	(128,185)
Accretion of interest	-	-	(185,871)	(185,871)
Income tax recovery	-	-	311,563	311,563
Net loss and comprehensive loss	**$ (2,028,490)**	**$ (652,283)**	**$ (1,279,938)**	**$ (3,960,711)**

23. Advances to Acquisition Target

On December 2, 2013, the Company closed the acquisition of 50% of Inforica Inc. through a share subscription for a price of $500,000. The advances were used to offset the Company's purchase price (Note 4).

24. Contingent Consideration Payable

Adeeva acquisition (1)	$ 659,000
Inforica acquisition (2)	194,017
Banyan Investment (3)	378,500
	$ 1,231,517
Less: current portion	(93,962)
Balance November 30, 2014	$ 1,137,555

1) As part of the consideration for the Adeeva acquisition the Company is obligated to pay additional royalties based on future financial results of Adeeva. The royalty payment provisions provide that, for an indefinite term, the Company will pay to the former debtholders of Adeeva a future royalty of 1% of Adeeva sales and 3% of Adeeva gross margins to a maximum aggregate payment of $1,000,000.
2) As part of the consideration for the Inforica acquisition the Company is obligated to pay additional royalties based on future financial results of Inforica. The royalty payment provisions provide that, for an indefinite term, the Company will pay to the preferred shareholders of Inforica a future royalty of 3.68% of energy revenue to a maximum aggregate payment of $350,000.
3) As part of the consideration for the Baynan investment the Company is obligated to pay up to $425,000 based on certain performance measures. The $425,000 is payable on a pro-rated basis based on Banyan's cumulative pre-tax earnings between $3,840,000 and $4,800,000 on or before November 3, 2018.

An estimate of the ranges of outcomes for the contingent consideration payable is as follows:

	Minimum	Maximum
Adeeva acquisition	$ 43,842	$ 1,000,000
Inforica acquisition	50,120	350,000
Banyan investment	-	425,000
	$ 93,962	$ 1,775,000

25. Subsequent Events

Sale of Logitek's EDI business

On December 19, 2014, the Company's wholly-owned subsidiary Logitek Technology Ltd. ("Logitek"), sold its EDI business, including all existing IP and support infrastructure in Canada, for $2,150,000 to DiCentral Corporation. On closing, Logitek received $1,000,000 cash with $750,000 cash received on January 15, 2015 and the remaining $400,000 payable over 24 months in varying amounts in 6 month intervals. At the same time an agreement was reached for Logitek to operate as a strategic partner-reseller of DiCentral's EDI solutions. Logitek's EDI business was approximately 35% of Logitek's total sales.

Acquisition of 50% of SEB Benefits & HR Consulting Inc.

On February 11, 2015, the Company 50% of SEB Benefits & HR Consulting Inc., a recently incorporated company. which owns the consulting practices of Joseph Ricciuti, Paul Serafini, Julie Holden and Sandra Routledge (collectively, the "Operating Shareholders"). SEB has acquired 50% of the issued and outstanding shares of SEBCON with the Operating Shareholders owning the other 50%. SEBCON operates as a consulting company providing innovative services and solutions for corporate and government clients in the areas of Group and Health Benefits, Retirement Plans and Human Resources.

The terms of the transaction are as follows:

1) $100,000 of SEB Shares at $0.50 per share, the shares being subject to a contractual escrow over a 24 month period, released 25% every 6 months.
2) 50,000 share purchase warrants to acquire SEB shares. The warrants are exercisable at $0.50 per SEB share for a term of 36 months and vest on the same terms as the SEB Shares stated above.
3) In addition, SEB will provide start-up support in areas of business infrastructure , working capital loans and other aspects

As the accounting for the acquisition is not complete, the Company could not disclose fair value of consideration transferred and received as at the acquisition date.

Acquisition of Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership

On March 9, 2015 the Company concluded the acquisition of Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership, amalgamated into one company, named Paradigm Consulting Group Inc. The purchase price of Paradigm is up to $15,793,436, consisting of firm consideration of $13,427,864 and additional consideration of up to $2,365,572 if certain performance targets are achieved.

The "firm consideration" consists of the following:

1) Cash of $9,288,112 (including $1,600,000 of a working capital balance sheet adjustment).
2) Vendor notes in the aggregate principal amount of $1,182,786, with interest accruing at an annual rate of 3% payable quarterly in arrears with one third of the outstanding principal payable at the end of year two and the balance payable at the end of year three. The notes are convertible into SEB shares at $0.50 per share.
3) 5,913,877 SEB shares with a deemed value of $2,956,966. The shares are subject to a 36-month contractual escrow, with one-sixth of the shares being released every six months over the 36 months following the closing of the transaction.

In addition, 1,000,000 share purchase warrants were issued to Paradigm employees as a retention incentive. All warrants have a 48-month term and an exercise price of $0.50 per share. The warrants vest one-sixth every six months over a 36 month period following the closing of the transaction.

25. Subsequent Events - continued

The “additional consideration”, payable in cash, consists of up to:

1) $1,774,179 to be paid at the end of year three following closing, subject to meeting a cumulative EBITDA of $8,870,898.
2) $591,393 to be paid at the end of year four following closing, subject to meeting a cumulative EBITDA of $11,827,864.

As the accounting for the acquisition is not complete, the Company could not disclose fair value of consideration transferred and received as at the acquisition date.

New Credit Facilities

On March 10, 2015 the Company closed new credit facilities with a major Canadian Schedule I bank in the amount of $8,775,000. The credit facilities were obtained by Paradigm Consulting Group Inc. (“Paradigm”) and SOMOS Consulting Group Ltd. (“SOMOS”), both wholly owned subsidiaries of SEB. The new financing arrangements include a $4,200,000 term loan acquisition facility which was used in connection with the Corporation’s acquisition of Paradigm. The acquisition facility bears interest at the Canadian Dollar Prime Rate (the “Prime Rate”) to Prime Rate plus 1.75%, depending on the amount advanced under the facility, has a term of 3 years and may be repaid at any time without penalty.

Paradigm has also obtained a $3,000,000 operating demand facility, bearing interest at the Prime Rate plus 0.75% to 1.75%, depending on Paradigm’s debt to EBITDA ratio, along with a $50,000 corporate credit card.

At the same time, SEB’s wholly owned subsidiary, SOMOS, has entered into a new credit facility with the same Canadian bank to replace the current credit facility of SOMOS. The new SOMOS facility consists of a $1,500,000 operating demand loan bearing interest at the Prime Rate plus 1.875% and a $25,000 corporate credit card. Concurrent with the new SOMOS facility, the Stroma facility was terminated.

Both Paradigm’s new credit facilities and the new SOMOS facility are secured by a first charge over all of the assets of certain subsidiaries of the Corporation, contain positive, negative and financial covenants, and include other usual and customary terms and conditions. The Corporation, Paradigm, SOMOS and certain other subsidiaries have provided guarantees pursuant to the new credit facilities.