AYLEN CAPITAL INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Independent Auditor's Report

To the Shareholders of Aylen Capital Inc.:

Opinion

We have audited the financial statements of Aylen Capital Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and December 31, 2017, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
April 30, 2019

Chartered Professional Accountants
Licensed Public Accountants

MNP

AYLEN CAPITAL INC.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

AS AT

	Notes		December 31, 2018		December 31, 2017
ASSETS					
Cash and cash equivalents	4	$	**724,808**	$	91,643
Marketable securities	5		**-**		5,132
Accounts receivable	6		**7,427**		12,626
HST recoverable			**22,008**		10,383
Current portion of consideration receivable	7		**121,165**		-
			875,408		119,784
Non current portion of consideration receivable	7		**55,076**		
Investments	7		**-**		2
Property and equipment	8		**475**		951
		$	**930,959**	$	120,737
LIABILITIES					
Accounts payable and accrued liabilities	9	$	**93,554**	$	119,417
Contract liabilities	10		**293,651**		218,106
			387,205		337,523
SHAREHOLDERS' EQUITY					
Share capital	12		**1,350,570**		1,350,570
Contributed surplus			**320,765**		299,821
Deficit			**(1,127,581)**		(1,867,177)
			543,754		(216,786)
		$	**930,959**	$	120,737

COMMITMENT (Note 17)

Approved on Behalf of the Board

'John Pennal' Director

'William Hale' Director

See accompanying notes to the financial statements.

AYLEN CAPITAL INC.

STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED

	Notes	Years Ended December 31, 2018	2017
Revenues			
Sales revenue		**$ 560,714**	$ 778,357
Interest income	16	**357**	4,424
Realized (loss) gain on sale of marketable securities		**(906)**	20,539
Unrealized loss on fair value of marketable securities		**-**	(14,060)
		560,165	789,260
Expenses			
General and administrative		**$ 385,462**	$ 399,948
Selling expenses		**428,440**	458,263
Interest on short term debt	13	**2,004**	-
Amortization	8	**476**	625
Share-based payment	12(c)	**9,840**	11,675
Total expenses		**826,222**	870,511
Other income (losses)			
Realized gain on sale of shares in private company	7	**1,022,622**	-
Accretion on short term debt		**(4,870)**	-
Accretion on consideration receivable		**1,504**	-
Loss on settlement of debt		**(17,606)**	-
Net income (loss) and comprehensive income (loss) for the year before taxes		**735,593**	(81,251)
Income tax recovery	14	**4,003**	-
Net income (loss) and comprehensive income (loss) for the year		**$ 739,596**	$ (81,251)
Net income (loss) per share			
Basic net income (loss) per share		**$ 0.044**	$ (0.005)
Diluted net income (loss) per share		**$ 0.041**	$ (0.005)
Weighted average number of shares outstanding - Basic		**16,856,632**	16,856,632
Weighted average number of shares outstanding - Diluted		**17,861,348**	16,856,632

See accompanying notes to the financial statements.

AYLEN CAPITAL INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Share capital				
	Common shares	Amount	Contributed surplus	Deficit	Total
Balance January 1, 2017	16,856,632	$1,350,570	$ 288,146	$ (1,785,926)	$ (147,210)
Share-based payment	-	-	11,675	-	11,675
Net loss for the year	-	-	-	(81,251)	(81,251)
Balance, December 31, 2017	16,856,632	$1,350,570	$ 299,821	$ (1,867,177)	$ (216,786)

Balance January 1, 2018	16,856,632	$1,350,570	$ 299,821	$ (1,867,177)	$ (216,786)
Issuance of convertible debt (Note 12(c))	-	-	15,107	-	15,107
Share-based payment (Note 12(c))	-	-	9,840	-	9,840
Income tax recovery (Note 14)	-	-	(4,003)	-	(4,003)
Net income for the year	-	-	-	739,596	739,596
Balance, December 31, 2018	16,856,632	$1,350,570	$ 320,765	$ (1,127,581)	$ 543,754

See accompanying notes to the financial statements.

AYLEN CAPITAL INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED

	Years Ended December 31, 2018	2017
OPERATING ACTIVITIES		
Net income (loss) for the year	**$ 739,596**	$ (81,251)
Adjustments not affecting cash:		
Realized loss (gain) on sale of marketable securities	**906**	(20,539)
Realized gain on sale on investment (Note 7)	**(1,022,622)**	-
Unrealized loss (gain) on fair value of marketable securities	**-**	14,060
Amortization (Note 8)	**476**	625
Share-based payment (Note 12(c))	**9,840**	11,675
Foreign exchange gain	**(6,386)**	-
Accretion expense	**3,366**	-
Loss on settlement of debt	**10,237**	-
Income tax recovery (Note 14)	**(4,003)**	-
	(268,590)	(75,430)
Changes in non-cash working capital		
Accounts receivable	**5,199**	14,945
Prepaid expense and sundry assets	**-**	1,198
HST recoverable	**(11,625)**	(1,324)
Deferred revenue	**63,500**	(31,222)
Accounts payable and accrued liabilities	**(25,863)**	17,739
Cash used in by operating activities	**(237,379)**	(74,094)
INVESTING ACTIVITIES		
Property and equipment	**-**	(1,426)
Proceeds from sale of marketable securities	**4,226**	169,780
Purchase of marketable securities	**-**	(43,212)
Proceeds from sale of investment (Note 7)	**847,887**	-
Cash provided by investing activities	**852,113**	125,142
Effect of foreign exchange on cash	**18,431**	-
Net increase in cash	**633,165**	51,048
Cash and cash equivalents, beginning of year	**91,643**	40,595
Cash and cash equivalents, end of year	**$ 724,808**	$ 91,643

See accompanying notes to the financial statements.

1. INCORPORATION AND NATURE OF OPERATIONS

Aylen Capital Inc. ("Aylen" or the "Company") was incorporated on October 28, 2010 under the Canada Business Corporations Act. The Company's registered head office is located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, M5J 2Z4, Canada.

Grapevine Solutions ("Grapevine"), an unincorporated division of Aylen, operates a web-based survey and data-collection business.

2. BASIS OF PRESENTATION

Statement of compliance

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

These financial statements include the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers, effective January 1, 2018, without restatement of comparative periods. Significant changes to accounting policies are described in Note 3.

The financial statements of the Company for the years ended December 31, 2018 and December 31, 2017 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2019.

Basis of measurement and functional currency

The financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company is functional currency is the Canadian dollar.

Critical accounting estimates, judgment and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of financial reporting that require management's estimates and judgments are as follows:

Valuation of accounts receivable

The valuation of accounts receivables requires assumptions including estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectibility of customer balances that can vary from management's estimates and judgment.

Share-based payments

In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, stock price, the volatility of the Company's stock price and the risk-free interest rate are used. The fair value of the instruments granted is measured using a Black-Scholes option pricing model.

2. BASIS OF PRESENTATION (Cont'd)

Impairment of privately held investments

The impairment of privately held investments is an area of significant judgment. Management will evaluate other sources of information to determine whether there is an objective evidence of possible impairment. In such cases, management will review recent equity transactions, discounted cash flows, or comparative transactions to estimate the fair value.

Measurement of note payable

The market rate of interest is estimated by assessing market conditions and other internal and external factors. The market rate of interest used to calculate the fair value of the debt component is 20%.

Deferred tax assets

The key estimate used in the valuation of deferred tax assets is the probability that some portion or all of the deferred tax assets will be realized. The ultimate realization of the deferred tax assets is dependent on the generation of future taxable income during the years in which the temporary differences are deductible.

Revenue recognition

The Company uses estimates when calculating the unearned component of subscription fees and consulting income collected. There is no variable consideration, or consideration payable relating to subscription fees or consulting income. The contract price is fixed based on the client's needs and agreed upon entering the contract.

Functional currency

The determination of the Company's functional currency is a management judgment based on consideration of the currency and economic factors that mainly influence operating costs, financing and related transactions. Changes to these factors may have an impact on the judgment applied in the future determination of the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The policies applied in these consolidated financial statements are based upon IFRS and its interpretations issued and outstanding as of December 31, 2018.

Revenue recognition

Revenue is recognized to depict the transfer of services in an amount that reflects the consideration to which the entity expect to be entitled following five steps:

(i) Identify the contract with a customer
(ii) Identify the performance obligations in the contract
(iii) Determine the transaction price
(iv) Allocate the transaction price to the performance obligation in the contract
(v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue may be earned over time as the performance obligations are satisfied or at a point in time which is when the entity has earned a right to payment, the customer has possession of the asset and the related significant risks and rewards of ownership, and the customer has accepted the asset or service.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Software as a Service ("SaaS")

Software is provided to customers via a SaaS subscription model which allows customers to use hosted software over a term without taking possession of the software. The parties in the contract are identified in a signed agreement which states each parties' rights, performance obligations and payment terms. Revenue is recognized monthly over the life of the contract as the performance obligations are satisfied through the provision of access to the software.

The performance obligation contained in the Company's contract with its customers and timing of recognizing revenue on those obligation is as follows:

Revenue Type	Performance Obligation	Point in Time or Over Time	When is Performance Obligation Satisfied?
Software as a service (survey/evaluation licenses)	Access to underlying surveys or evaluations for agreed upon time period (typically 90 or 365 days)	Over time	Over the course of the agreed upon term stated in the invoice (typically 90 or 365 days).

The Company generally receives payment from its client in advance for the subscription revenue. In instances where timing of revenue recognition differs from the timing of invoicing and subsequent payment, the Company has determined their contracts do not involve a significant financing component. Clients may pay the subscription price for the term of the contract in advance of using the services in which case the amount paid is recorded as deferred revenue and recognized as revenue when earned.

The Company also utilizes the practical expedient available to it under IFRS 15 and does not disclose the aggregate amount of revenue allocated to performance obligations that are unsatisfied or partially satisfied at year end for contracts as the Company's right to consideration from a customer is an amount that corresponds directly with the value of the Company's performance completed to date. The Company does not have consideration from customers that is not included in its transaction price and allocated to revenue accordingly.

Provision

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of the discount is recognized as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments

On July 24, 2014, the IASB issued the completed IFRS 9 – Financial Instruments ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on January 1, 2018. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance has no impact to the Company's financial statements. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash	FVTPL	FVTPL
Marketable Securities	FVTPL	FVTPL
Receivables and other assets	Loans and receivables (amortized cost)	Amortized cost
Trade and other payables	Other financial liabilities)	Amortized cost
Loan payables	Other financial liabilities	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

(i) Non-derivative financial assets

Loans and receivables are recognized at the date of acquisition. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, fair value through profit or loss ("FVTPL") and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (cont'd)

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss ("FVTPL") if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred.

Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss. Financial assets at fair value through profit or loss comprise cash and cash equivalents, marketable securities, and investment in shares of public company.

Financial assets at fair value through OCI

A financial assets carried at fair value with unrealized gains and losses are included in other comprehensive income until the financial asset is derecognized and any cumulative gain or loss is then recognized in profit or loss or until an impairment is recognized. Financial assets held at fair value through OCI that have no quoted market price, and for which fair value is not reasonably determinable are measured at cost unless there is objective evidence of impairment.

Amortized cost

Assets held at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company classifies its accounts receivables as loans and receivables.

(ii) Non-derivative financial liabilities

Financial liabilities are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when its contractual obligations are discharged, cancelled or expired.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and loan payable.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which based on changes in credit quality since initial application. The adoption of the ECL impairment model had no impact on the Company's financial statements. An allowance for ECL is recognized at each balance sheet date for all financial assets measured at amortized cost or those measured at FVTOCI, except for investments in equity instruments. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECL's, which are determined on a probability-weighted basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (cont'd)

If there is objective evidence of impairment of a financial asset carried at cost, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in 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, except for impairment losses on equity investments, which are not reversed through profit or loss.

Compound Financial instruments

Compound financial instruments issued by the Company are comprised of drawdowns of a line of credit that can be converted to share capital at the option of the holder. The liability component of a compound financial instrument is recognized initially at the fair value which is equal to the net present value of future cash flows applying an interest rate at the date of issue of a similar liability that does not have an equity convertible option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and held by financial institutions with high credit worthiness with maturities of three months or less.

Marketable securities

Marketable securities consist of investments in equity securities which are publicly traded and are classified as fair value through profit and loss. Marketable securities are measured at fair value and recognized on the trade date. The fair value of publicly traded securities is determined using quoted market prices. Realized and unrealized gains and losses are recognized using average cost. Gains and losses in the changes on fair value of marketable securities are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses.

Amortization is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

The estimated useful lives for the current and comparative periods are as follows

Equipment	3 years straight-line
Office equipment	3 years straight-line

The net carrying amount of property and equipment are reviewed for impairment either individually or at the cash-generating unit level when events and changes in circumstances indicate that the carrying amount may not be revocable. To the extent that these values exceed their recoverable amounts, the excess is fully provided for in the financial year in which it is determined.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property and equipment (cont'd)

Where an item of property and equipment is disposed of by sale, it is derecognized and the difference between its derecognized and the difference between its carrying value and net proceeds is recognized as gain or loss on the disposal of asset in the statement of income.

Any items of property and equipment that cease to have future economic benefits expected to arise from their continued use are derecognized with the associated loss included as depreciation expense and disclosed separately.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or to items recognized directly in equity or in other comprehensive income. In this case, the tax is also recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date in the countries in which the Company operates, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain. The final tax outcome of these matters may be different from the estimates originally made by management in determining income tax provisions. Management periodically evaluates the positions taken in the Company's tax returns with respect to situations in which applicable tax rules are subject to interpretation. A provision is established related to tax uncertainties where appropriate based on management's best estimate of the amount that will ultimately be paid to or received from tax authorities.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses are recorded as part of net earnings to be presented in other "comprehensive income (loss)" until it is considered appropriate to recognize them into net earnings.

Foreign currency translation

Transactions in foreign currencies are translated to Canadian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency of which is the Canadian dollar at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the entity. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Stock-based compensation

The Company issues share-based awards to its officers and directors. The awards are comprised of equity settled stock options. Fair values of stock options are calculated using the Black-Scholes option pricing model at the date of the grant and adjusted for estimated forfeitures. For awards with graded vesting, the fair value of each tranche is calculated separately and recognized over its respective vesting period. Nonmarket vesting conditions are considered in making assumptions about the number of awards that are expected to vest. At each reporting date, the Company will reassess its estimates of the number of awards that are expected to vest and recognize the impact of any revision in the statement of income with a corresponding adjustment to contributed surplus.

Any consideration paid on exercise of stock options or purchase of shares, together with the amount initially recorded in contributed surplus, is credited to share capital.

Net income (loss) per share

Basic income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted income per share is calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding options of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Changes in significant accounting policies

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

On January 1, 2018, the Company adopted the new accounting standard IFRS 15 – "Revenue from Contract with Customers" ("IFRS 15"). IFRS 15 introduced a single model for recognizing revenue from contracts with customers and applied to all contracts with customers. The standard requires revenue in a manner that depicts the transfer of promised goods and services to a customer and at an amount that reflects the considerations expected to be received in exchange from transferring those goods or services. IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs and provides revised guidance on principal versus agent consideration. IFRS 15 was applied on a retrospective basis and did not require an adjustment to the Company's consolidation financial statements.

Impact of transition to IFRS 15:

Effective January 1, 2018, the Company adopted IFRS 15 using the cumulative effect method, with the effect of adopting this standard recognized on January 1, 2018, the date of initial application. Accordingly, the information presented for 2017 has not been restated. It remains as previously reported under IAS 18, IAS 11 and related interpretations.

Adoption of IFRS 15 has not impacted the accounting for the Company's SaaS or professional services for the Company's software licenses.

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 – Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. The new standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company adopted this standard on January 1, 2018 and it did not have a material impact on the financial statements.

Future Accounting Pronouncements

IFRS 16, Leases ("IFRS 16")

IFRS 16 replaces IAS 17, Leases, and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the condensed interim statements of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retroactive application and with early adoption permitted, but only if the entity is also applying IFRS 15.

The Company will adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The Company is assessing the impact of this standard on its financial statements and expects that there will be no impact on the financial statements of the Company.

(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

	December 31, 2018	December 31, 2017
Cash held in banks	**$ 724,808**	$ 40,408
Cash held by broker	**-**	51,235
	$ 724,808	$ 91,643

There were no restrictions on the cash held by broker.

5. MARKETABLE SECURITIES

The Company has the following marketable securities:

	December 31, 2018		December 31, 2017	
	Cost	Fair value	Cost	Fair value
Investment in equities	**$ -**	$ -	$ 12,916	$ 5,132

Investment in equities are publicly-traded investments on a recognized securities exchange and for which no sales restrictions apply. The fair value of these securities is based on quoted closing prices at the period end date or the closing price on the last day the security traded if there were no trades at the period end date. If the closing price is outside of the bid-ask spread, management determines appropriate price for the security within the bid-ask spread. The fair value of mutual funds is determined using the net asset value per unit of each fund. During the December 31, 2018 fiscal year, all marketable securities were sold resulting in a realized loss of $906 (2017- $20,539 gain) and unrealized loss of $nil (2017 - $14,060) in the statement of comprehensive income (loss).

6. ACCOUNTS RECEIVABLE

Details of the Company's trade and other receivables are as follows:

	December 31, 2018	December 31, 2017
Canadian and U.S. customers	**$ 7,427**	$ 12,626

Accounts receivable are amounts due from subscriptions that remain uncollected at the financial statements date. These amounts are classified as current because collection is expected in one year or less. Accounts receivable are recognized initially at the amount expected to be received less any discount to reduce the recoverable amount to fair value. Subsequently, accounts receivable are measured at amortized cost using the effective interest method less a provision for impairment with no allowance taken on accounts receivable.

(Expressed in Canadian Dollars)

7. INVESTMENTS

Privately held investments:	**December 31, 2018**		December 31, 2017	
Leonardo Worldwide Corporation	**Number of shares**	Amount	Number of shares	Amount
Common shares	**-**	$ -	15,075,359	$ 1
Class A preferred shares	**-**	-	2,436,685	1
	-	$ -	17,512,044	$ 2

During the year, the Company owned an equity interest of 12.6% (December 31, 2017 - 12.6%) in Leonardo Worldwide Corporation ("Leonardo") representing approximately 12.0% (December 31, 2017 -12.0%) on a fully-diluted basis, if options and warrants are exercised.

The Company also owned Class A Preferred Shares of Leonardo representing approximately 2.6% of all outstanding Class A and Class B preference shares. Class A Preferred Shares Series 1 were entitled to a cumulative dividend of 8% per annum and are convertible into common shares at a conversion price of $0.2811 per share.

Leonardo is a provider of interactive content solutions to the lodging and travel industry. Leonardo uses the latest technology, some proprietary, to produce, host, manage, distribute and track rich media advertising platform and distribution network on many different travel websites. Leonardo is a producer and distributor of online visual content for the hotel and travel industry. Investments in Leonardo are recorded at cost, there being no active market in its privately-held shares and there being no reliable estimate/measurement of fair value. Management of the Company reviewed the indicators of impairment and concluded that there was objective evidence of impairment on the Leonardo common shares as at December 31, 2015 and recorded an impairment loss of $1,037,666 in the statement of comprehensive loss for the year ended December 31, 2015.

On November 16, 2018, the Company sold all its shares of Leonardo Worldwide Corporation to an unrelated third party. The proceeds received by the Company on closing were CAD$847,887. Two additional amounts of the purchase price payable to the Company have been withheld by the purchaser (the "Holdbacks"). The first holdback is US$89,000 (CAD$121,165 as at December 31, 2018) and is payable one year after closing; as the expected repayment date of November 16, 2019 is within twelve months of year end, this is considered a current asset and has been classified as such. The second holdback is US$57,182 (CAD$84,750 as at December 31, 2018) and is payable two years after closing; as the expected repayment date of November 16, 2019 is not within twelve months of year end, this is considered a non-current asset. The present value of this receivable was calculated to be approximately CAD$53,572 using a market rate of interest of 20% and an effective interest rate of 22.8%. Accretion income of $1,504 was recognized on this receivable for the period between the closing date of November 16, 2018 and December 31, 2018. In addition to this accretion income, the Company recognized a total gain on sale of the Leonardo shares of CAD$1,022,622, calculated as the excess of total consideration comprised of CAD$847,887 on closing, CAD$121,165 first holdback receivable and the CAD$53,572 present value of the second holdback receivable over the CAD$2 carrying value of the Leonardo shares recognized in other income on the statement of income (loss) and comprehensive income (loss). The holdbacks may be reduced by the portion attributable to the Company of any shortfall pursuant to a net tangible asset purchase price adjustment mechanism or any claims for indemnification made by the purchaser.

(Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

	Equipment	Office equipment	Total
Cost			
Balance at December 31, 2016	$ 7,581	$ 8,370	$ 15,951
Additions	$ -	$ 1,426	$ 1,426
Balance at December 31, 2017 and 2018	**$ 7,581**	**$ 9,796**	**$ 17,377**
Accumulated Amortization			
Balance at December 31, 2016	$ 7,581	$ 8,220	$ 15,801
Amortization for the period	-	625	625
Balance at December 31, 2017	$ 7,581	$ 8,845	$ 16,426
Amortization for the period	-	476	476
Balance at December 31, 2018	**$ 7,581**	**$ 9,321**	**$ 16,902**

	Equipment	Office equipment	Total
Net Book Values			
As at December 31, 2016	$ -	$ 150	$ 150
As at December 31, 2017	$ -	$ 951	$ 951
As at December 31, 2018	**$ -**	**$ 475**	**$ 475**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018	December 31, 2017
Trade payables	**$ 59,875**	$ 21,920
Accrued expenses	**26,471**	87,308
Credit cards	**7,208**	10,189
	$ 93,554	$ 119,417

10. CONTRACT LIABILITIES

The following table presents changes in the contract liability balances for the years ended December 31, 2018 and December 31, 2017:

Balance as at December 31, 2017	$ 218,106
Adjustment on initial application of IFRS 15:	-
Adjusted balance, January 1, 2018	218,106
Amounts invoiced and collected during the year ended December 31, 2018:	624,214
Amounts earned during the year ended December 31, 2018:	(560,714)
Amounts billed but not earned during the year	281,606
Foreign exchange loss on deferred revenue for sales held in USD	12,045
Contract liabilities, December 31, 2018	$ 293,651

(Expressed in Canadian Dollars)

11. LOAN PAYABLE

During the year ended December 31, 2018, the Company received proceeds of $70,000 from the President and CEO of the Company relating to the issuance of a secured line of credit for up to $100,000. The line of credit carries interest at a rate of 5% and is convertible into common shares at a rate of $0.02 per share at the option of the holder and matures December 31, 2019. The proceeds were received in three drawdowns of this line of credit between April 26, 2018 and July 11, 2018 which were valued at a cumulative $54,893 prior to recognition of accretion of $4,870 between the date of issuance and date of repayment. The effective interest rates used to value these three payments range from 23.3%-23.8%.

The convertible debt issuances in the year were determined to be compound instruments, comprising liability and conversion features. As the drawdowns of the line of credit are convertible into common shares, the liability and equity components are presented separately. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate of 20%. Using the residual method, the carrying amount of the conversion feature is the difference between the principal amount and the initial carrying value of the financial liability. The equity component is recorded in reserves on the statement of financial position. The liability component was accreted using the effective interest rate method over the term of the debt such that the carrying amount of the financial liability would equal the principal balance at maturity, had the debt not been repaid prior to maturity.

The Company repaid the full $70,000 drawn down from this line of credit on November 22, 2018. The Company also repaid an additional $9,373, of which $2,004 has been recognized as interest and the residual $7,369 has been recognized as loss on debt. $100,000 remains undrawn on the line of credit as of December 31, 2018 as all amounts drawn down during the year have been repaid by year end.

Convertible debentures consist of the following:

Balance, Jan 1 2018	Proceeds (repayments)	Debt Component	Interest expense	Equity Component	Loss on settlement of debt
Issuance of convertible debt	$ 70,000	$ 54,893	$ -	$ 15,107	$ -
Accretion	-	4,870	-	-	-
Settlement of debt (principal)	(79,373)	(59,763)	-	-	10,237
Settlement of debt (interest)	9,373	-	2,004	-	7,369
Balance	$ -	$ -	$ 2,004	$ 15,107	$ 17,606

(Expressed in Canadian Dollars)

12. SHARE CAPITAL

(a) Authorized:
An unlimited number of common shares, an unlimited number of Class A common shares and unlimited number of preferred shares issuable in series.

(b) Total outstanding shares:
Issued:
16,856,632 Common shares

(c) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 10 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

The Company used a zero forfeiture rate in valuing the stock options as all stock options were vested immediately on the date of the grant.

The stock options activity is as follows:

	December 31, 2018		December 31, 2017	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of the year	**1,285,663**	**$ 0.04**	150,000	$ 0.04
Granted	**500,000**	**0.02**	1,185,663	0.01
Expired during the year	**-**	**-**	(50,000)	0.10
Outstanding, end of the year	**1,785,663**	**$ 0.01**	1,285,663	$ 0.01

During the year ended December 31, 2018, the Company granted 500,000 options (December 31, 2017 - Nil) which vested immediately at an exercise price of $0.02 per share and with a term of 5 years from the date of grant. The share-based payment expense related to the options for the year ended December 31, 2018 of $9,840 (December 31, 2017 - $11,675) has been estimated using the Black-Scholes pricing model.

The assumptions used for the valuation of stock options are as follows:

	December 31, 2018	December 31, 2017
Risk-free interest rate	2.25%	1.01%
Time to maturity	5 years	5 years
Estimated volatility in the market price of the common shares	214.53%	217.58%
Grant date fair value per share of options granted during the year	$0.02	$0.01
Dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (Cont'd)

The following table summarizes the stock options outstanding as at December 31, 2018:

Number of options outstanding	Exercise price	Expiry date	Number of options exercisable
100,000	$ 0.02	November 25, 2021	100,000
1,185,663	$ 0.01	January 16, 2022	1,185,663
500,000	$ 0.02	September 12, 2023	500,000
1,785,663			1,785,663

13. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the financial statements during the years ended December 31, 2018 and 2017 as follows:

	December 31, 2018	December 31, 2017
Legal fees paid to a firm of which the CEO was counsel	$ 7,005	$ 1,799

REMUNERATION OF KEY PERSONNEL

	December 31, 2018	December 31, 2017
Salaries	$ 220,000	$ 252,500
Directors' fees	15,000	22,500
Consulting fees	62,500	30,000
Stock options (Note 12(c))	8,703	11,675
Total	$ 306,203	$ 316,675

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

Included in accounts payable and accrued liabilities are management fees of $Nil (2017 - $12,500) directors' fees of $Nil (2017 - $30,000), consulting fees of $2,168 (2017 - $2,825) and legal fees of $1,158 (2017 - $149) due to a firm of which the CEO is counsel.

During the year ended December 31, 2018, the Company received a secured line of credit totaling $70,000 from the President and CEO (note 11). As a result, interest of $2,004 and additional fees of $7,369 have been paid to the President and CEO. As at December 31, 2018, all amounts have been repaid by the Company.

(Expressed in Canadian Dollars)

14. INCOME TAXES

(a) Income tax expense

The reconciliation of income taxes attributable to operations computed at the combined statutory income tax rate of 26.50% (2016 - 26.50%) to income tax recovery is as follows:

	December 31, 2018	December 31, 2017
Income (loss) before income taxes	**$ 735,593**	$ (81,251)
Expected income tax expense (recovery) at statutory rates	**194,932**	(21,531)
Increase (decrease) resulting from:		
Non-deductible expenses	**-**	-
Non-taxable portion of realized and unrealized capital(gains) losses	**-**	-
Tax rate changes and other adjustments	**(44,358)**	538
Permanent Difference	**(240,739)**	1,442
Foregiveness of debt	**-**	-
Change in unrecognized deferred tax assets	**86,162**	19,551
Income tax expense (recovery)	**$ (4,003)**	$ -

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

	December 31, 2018	December 31, 2017
Current tax (recovery) expense	**$ -**	$ -
Deferred tax (recovery) expense	**(4,003)**	-
	(4,003)	-

(b) Deferred taxes

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:

	December 31, 2018	December 31, 2017
Property and equipment	**$ 4,313**	$ 463,480
Cumulative eligible capital	**-**	12,920
Non-capital losses	**1,818,272**	113,690
Investments	**-**	1,885,890
Consideration receivable	**22,932**	-

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 repect of these items because it is not probable that future taxable profit will be available against which the Company and its subsidiary can utilize the benefits therefrom. The remaining deductible temporary differences may be carried forward indefinitely.

15. MANAGEMENT OF CAPITAL

The Company's objective is to develop a strong capital base to sustain future development and growth of the business. The Company manages its capital by maintaining a flexible capital structure which optimizes the cost of capital at an acceptable level of risk and makes adjustments on it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company's capital base is currently represented by shareholders' equity. The Board of Directors reviews the Company's business plans as part of its strategic initiatives in conjunction with its financial forecast. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's significant financial instruments are comprised of cash and cash equivalents, accounts receivables, consideration receivable and accounts payable and accrued liabilities.

Measurement and Fair Value

The fair value of the Company's accounts receivable and accounts payable/accrued liabilities approximate their respective carrying value as at the statement of financial position date because of the short term maturity of these instruments. The Company issued convertible debentures in the year and repaid the debt before December 31, 2018 year end.

Financial instruments recorded at fair value on the balance sheet date are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1- valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

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 or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. There were no Level 2 financial instruments.

Risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The Company has exposure to the following risks from its use of financial instruments:

(a) Fair value of financial instruments:

The fair value of financial assets and liabilities, together with their carrying amounts are as follows:

	December 31, 2018		December 31, 2017	
Financial assets	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents	$ 724,808	$ 724,808	$ 91,643	$ 91,643
Accounts receivable	7,427	7,427	12,626	12,626
HST receivable	22,008	22,008	10,383	10,383
Marketable securities	-	-	5,132	8,550
Consideration receivable	176,241	176,241	-	-
	$ 930,484	$ 930,484	$ 119,784	$ 123,202

	December 31, 2018		December 31, 2017	
Financial liabilities	Carrying value	Fair value	Carrying value	Fair value
Other financial liabilities, measured at amortized cost:				
Trade payables and accrued liabilities	$ 93,554	$ 93,554	$ 119,417	$ 119,417
Deferred revenue	293,651	293,651	218,106	218,106
	$ 387,205	$ 387,205	$ 337,523	$ 337,523

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, accounts receivable and consideration receivable. The carrying amount of financial assets represents the maximum credit exposure to the Company.

The Company has established credit approval and monitoring practices to mitigate this risk, including reviewing the creditworthiness of new customers to establish credit limits, monitoring customers' payments and, where considered appropriate, reviewing the financial condition of the existing customers. The Company has no experience of significant write-offs of accounts receivable.

The following table outlines the details of aging of the Company's receivables:

	December 31, 2018	December 31, 2017
Current	$ 3,840	$ 6,879
Past due:		
31-60 days	3,356	3,254
Greater than 60 days	231	519
Total receivable, net	$ 7,427	$ 10,652

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The Corporation is exposed to normal credit risk from customers. Accounts receivable are generally unsecured, subject to the Corporation's ability to file security interest under certain conditions. Accounts receivable are normally collected 30 days after invoicing. Default rates on unsecured credit have traditionally been below 1% of annual revenue. Licenses for proprietary software cease to function if payments are not kept current. The Corporation minimizes concentrations of credit risk by maintaining a wide customer base spread across differing industries. Additional sales and services may be withheld if a customer fails to pay its obligations in a timely manner. The Corporation considers accounts over 30 days old overdue. As at December 31, 2018, accounts receivable over 30 days old were $3,587 (2017 - $3,773). The Corporation did not record any bad debts during the year ended December 31, 2018 or 2017.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company's activities are financed through a combination of the cash flows from operations and proceeds from the disposition of its short-term investments. The Company manages liquidity risks by monitoring the actual and forecasted cash flows taking into account the current and planned operations. All of the Company's accounts payable are due within the next year.

(e) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations in that the majority of sales by the Grapevine division are denominated in US currency, while the majority of costs are denominated in Canadian currency. The Company believes it is not significantly exposed to foreign exchange rate risk; the risk is considered to be acceptable as a normal risk of that class of business.

The following assets were denominated in foreign currencies presented in Canadian dollars as of:

	December 31, 2018	December 31, 2017
	US dollars	US dollars
Cash and cash equivalents	$ 711,627	$ 13,214
Marketable securities	-	2,818
Accounts receivable	4,964	6,783
Consideration receivable	176,241	-
	$ 892,832	$ 22,815

A fluctuation of +/-10% provided as an indicative range in currency movement, on financial instruments that are denominated in foreign currencies other than Canadian dollars, with, all other things being equal, have an effect on the after-tax net income and other comprehensive income of approximately +/- $88,495 (2017 - $2,282).

A fluctuation of +/-10% provided as an indicative range in marketable securities movement, with, all other things being equal, have an effect on the after-tax net income and other comprehensive income of approximately +/- $Nil (2017 - $513).

17. COMMITMENTS

The Company has contracted with 2232021 Ontario Inc. to provide operations and sales management services to the Grapevine division for an annual base fee of $103,600, plus applicable taxes, and additional sales based incentives.

18. SEGMENTED INFORMATION

For management purposes, the Company is organized into one business segment as web-based survey and data collection, which primarily operates in one geographical location, North America. Management assesses performance and makes decisions based on the results of operations of this business segment.