FTC CARDS INC.

Interim Financial Statements
(Unaudited - Expressed in Canadian Dollars)

June 30, 2012

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

FTC CARDS INC.
INTERIM STATEMENT OF FINANCIAL POSITION
As at June 30, 2012
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2012 $
Assets	
Current	
Cash and cash equivalents	1
Accounts receivable	136
	137
Liabilities	
Current	
Accounts payable and accrued liabilities	1,716
	1,716
Shareholders' equity	
Share capital	1
Deficit	(1,580)
	(1,579)
	137

Nature and continuance of operations (Note 1)
Events after the reporting date (Note 7)

Approved by the Board of Directors and authorized for issue on August 27, 2012:

"Celso Luis Posca"
………………………………………………… Director
Celso Luis Posca

"Ross Wilmot"
………………………………………………… Director
Ross Wilmot

FTC CARDS INC.

INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Three Months Ended June 30, 2012 and the Period from March 9, 2012 (date of inception) to June 30, 2012
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30, 2012 $	Period Ended June 30, 2012 $
General Expenses		
Administration	1,580	1,580
Loss and comprehensive loss for period	(1,580)	(1,580)
Basic and diluted loss per common share	(1,580.00)	(1,580.00)
Weighted average number of common shares outstanding	1	1

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

FTC CARDS INC.
INTERIM STATEMENT OF CHANGES IN EQUITY
At June 30, 2012
(Unaudited - Expressed in Canadian Dollars)

	Common Shares #	Share Capital $	Deficit $	Total Equity $
Balance, March 9, 2012 (date of incorporation)	-	-	-	-
Shares issued for incorporation	1	1	-	1
Loss and comprehensive loss	-	-	(1,580)	(1,580)
Balance, June 30, 2012	1	1	(1,580)	(1,579)

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

FTC CARDS INC.

INTERIM STATEMENT OF CASH FLOWS
Period from March 9, 2012 (date of inception) to June 30, 2012
(Unaudited - Expressed in Canadian Dollars)

	Period Ended June 30, 2012 $
Operating Activities	
Net loss for period	(1,580)
Changes in non-cash working capital items:	
(Increase) decrease in accounts receivables	(136)
Increase (decrease) in accounts payable and accrued	1,716
Cash used in operating activities	-
Financing Activities	
Issuance of share capital	1
Cash provided by financing activities	1
Increase (decrease) in cash during the period	1
Cash, beginning of period	-
Cash, end of period	1

1. NATURE AND CONTINUANCE OF OPERATIONS

Corporate Structure

FTC Cards Inc. ("FTC" and the "Company") was incorporated under the name "0934977 B.C. Ltd." under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to "FTC Cards Inc."

The Company was not a reporting issuer (or the equivalent) in any jurisdiction at the end of the reporting period and the common shares of FTC are not listed or quoted for trading on any stock exchange. Upon completion of an Arrangement agreement on July 3, 2012, the Company became a reporting issuer (or the equivalent) in British Columbia.

The Company has been incorporated for the purposes of completing the reorganization described below. Pursuant to the terms of the Arrangement agreement between its parent, CTF Technologies Inc. ("CTF"), and the purchaser, on July 3, 2012, the Company ceased to be a wholly-owned subsidiary of CTF and all of the issued and outstanding FTC shares were held by former CTF Shareholders.

Following the completion of the Arrangement agreement, FTC Cards Inc. acquired approximately 70% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Cards Brazil") and intends to continue operating the business of FTC Cards Brazil. FTC Cards Brazil is a limited liability company (sociedade limitada) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Cards Brazil is expected to be held by Technis Planejamento e Gestão em Negócios Ltda. ("Technis"), a limited liability company (sociedade limitada) under the laws of Brazil and an unrelated party.

The registered and records office of FTC Cards Inc. is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7. The head office of FTC Cards Inc. is located at 2000-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2. The registered and head office of FTC Cards Brazil is located at Alameda Tocantins, No. 125, 33rd floor, room 3302, Building 01 of Condomínio West Side - Alphaville, in the city of Barueri, State of São Paulo, Brazil.

These interim financial statements have been prepared in accordance with Brazilian accounting practices, which are identical in all material respects to International Financial Reporting Standards ("IFRS") issued by the IASB. These statements are also prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. There is no assurance that financing will be available or be available on favourable terms to fund continued operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

Business of the Company

FTC Cards Brazil was formed in 2011 for the purposes of developing a business of providing data processing to support a program of promotions, awards and loyalty programs and credit card processing targeted at the franchise gas stations of Petrobras Distribuidora S.A. ("Petrobras"). FTC Cards Brazil is continuing the business originally developed by CTF Technologies do Brasil Ltda., a subsidiary of CTF Technologies Inc., under an agreement entered into with Petrobras.

Approval of Financial statements

The financial statements for the period ended June 30, 2012 were approved by the Directors of the Company on August 27, 2012.

2. BASIS OF PREPARATION

These interim financial statements have been prepared and are presented in conformity with Brazilian accounting practices, which include the Brazilian corporate law, the pronouncements, interpretations and guidelines issued by Accounting Pronouncements Committee (CPC) and approved by regulators and the practices adopted by entities in matters not regulated, provided they meet the Standard "Framework for the Preparation and Presentation of Financial Statements" issued by the COC. These accounting standards are identical in all material respects to the International Financial Reporting Standards ("IFRS") issued by the IASB. These interim financial statements are also prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The Company has adopted all the standards, review of Standards and Interpretations issued by the Accounting Pronouncements Committee (CPC) and other regulatory bodies, which were in force on June 30, 2012. These financial statements have been prepared using historical cost as the basis of value and the valuation of certain assets and liabilities, and financial instruments, which are measured at fair value. Assets are recorded at the amounts paid or payable in cash or cash equivalents or the fair value of the resources that are delivered to acquire them at the acquisition date, which may or may not be updated by the variation in the overall ability to buy the currency. Liabilities are recorded by the values of the resources that were received in exchange for the obligation or, in some circumstances (e.g. income tax), the value in cash equivalents needed to settle the liabilities in the normal course of operations, and may in certain circumstances be restated.

Critical Accounting Estimates

The preparation of these interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

There were no significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies were applied consistently to all periods presented in these financial statements and in preparing the opening balance sheet, except where indicated otherwise.

Statement of Income

The operating result (revenues, costs and expenses) is calculated in accordance with the accrual basis of accounting. Revenue from product sales is recognized when its value can be measured reliably and all the risks and benefits are transferred to the buyer.

Use of estimates

The financial statements, where applicable, include estimates and assumptions, as the measurement of provisions for losses on receivables, estimated fair value of certain financial instruments, provisions for contingent liabilities, estimated useful life of certain assets. Actual results may differ from these estimates and assumptions.

Functional Currency and Presentation of Financial Statements

The Company's management determined that its functional currency is the Canadian dollar which is the same currency of preparation and presentation of the financial statements in accordance with the standards described in IAS 02 - Effects of Changes in Foreign Exchange Rates.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Functional Currency and Presentation of Financial Statements (cont'd…)

Transactions in foreign currency, all those not performed in the functional currency are translated at the exchange rate of the dates of each transaction. Monetary assets and liabilities in foreign currencies are translated into functional currency using the exchange rate on the closing date. Gains and losses from changes in exchange rates on assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities acquired or contracted in foreign currencies are converted using the exchange rates at the transaction dates or dates of valuation to fair value at the period end.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and highly liquid financial investments, valued at cost plus income accrued up to statement of financial position date.

Financial instruments

The Company´s financial instruments, where applicable, have been classified into the following categories:

Measured at fair value through profit or loss: includes financial assets held for trading, or acquired or originated principally for the purpose of selling or repurchasing in the short term, and derivatives. They are recorded as a result of changes in fair value and the balances are stated at fair value.

Maintained until maturity: includes non-derivative financial assets with fixed or determinable payments and maturities defined for which the entity has the positive intention and ability to hold to maturity. They are recorded as income, income earned and balances are stated at cost plus accrued interest.

Available for sale: includes non-derivative financial assets that are designated as available for sale or not classified in other categories. They are recorded as income, income earned and balances are stated at fair value. The differences between fair value and acquisition cost plus earnings are recognized in a specific account in shareholders' equity. Gains and losses recorded in equity are made to the result in the event of prepayment.

Loans and receivables: includes non-derivative financial instruments with fixed or determinable payments that are not quoted in active markets, except: (i) those that the Company intends to sell immediately or in the short term, and that the Company classifies as a measured value just through income, (ii) those classified as available for sale, or (iii) those whose owner cannot recover substantially its initial investment for any reason than to credit deterioration. They are recorded as income, income earned and balances are stated at cost plus accrued interest.

The Company also provides disclosure about inputs used in making fair value measurements, including their classification within a hierarchy that prioritized their significance. Three levels of the fair value hierarchy are:
Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2 – Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly, and
Level 3 – Inputs that are not based on observable market data.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Contingent assets and liabilities and legal obligations

Accounting practices for recording and disclosure of contingent assets and liabilities and legal obligations, when applicable, are as follows: (i) Contingent assets are recognized only when there are guarantees or favourable judicial decisions, final decisions. Contingent assets with probable successes are only disclosed in note form, (ii) contingent liabilities are accrued when losses are assessed as probable and the amounts involved can be measured with sufficient reliability. Contingent liabilities assessed as possible losses are only disclosed in note form, contingent liabilities assessed as remote losses are not accrued or disclosed, and (iii) legal obligations are recorded as required, regardless of the assessment of the likelihood of success of cases in which the Company challenged the constitutionality of taxes.

The Company did not constitute and is not releasing the contingencies for the fact there is no process to have been made recently.

Regulations, amendments and interpretations of standards issued by the CPC.

The interpretations and amendments to the Brazilian standards already issued by the CPC and mandatory from the year ended December 31, 2011 are:

- Review of CPC 40 - Financial Instruments: Disclosure.
- ICPC 08 - Accounting for the proposal to pay dividends.
- ICPC 09 – individual statements, separate financial statements, consolidated statements and application of the equity method.

The Company has determined that adoption has no significant impact on its financial statements.

Statement of Cash Flows

The Company presents cash flows from operating activities using the indirect method, whereby net profit or loss is adjusted for the effects of non-cash transactions, the effects of any deferrals or jurisdiction over appropriations for cash receipts or payments in past or future operating cash and the effects of items of income or expense associated with cash flows from investing activities or financing activities.

Under the indirect method, the net cash flow arising from operating activities is determined by adjusting the profit or loss for the effects of: i) variations in the period in inventories and operating receivables and payables; ii) items that are non-cash such as depreciation, provisions, deferred taxes, gains and losses and unrealized equity income, where applicable, and iii) all other items treated as cash flows arising from investing activities and financing.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Business combinations (cont'd...)

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Income taxes

Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable losses; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New standards not yet adopted

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements.

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted (cont'd...)

IFRS 9 Financial Instruments ("IFRS 9") (cont'd…)

IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

IFRS 10 Consolidated Financial Statements ("IFRS 10")

For annual periods beginning on January 1, 2013, IFRS 10 will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidation - Special Purpose Entities. The new standard requires consolidated financial statements to include all controlled entities under a single control model. The Company will be considered to control an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee. As required by this standard, control is reassessed as facts and circumstances change. Additional guidance is given on how to evaluate whether certain relationships give the Company the current ability to affect its returns, including how to consider options and convertible instruments, holding less than a majority of voting rights, how to consider protective rights, and principal agency relationships (including removal rights), all which may differ from current practice.

IFRS 10 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 11 Joint Arrangements ("IFRS 11")

IFRS 11 applies to accounting for interests in joint arrangements where there is joint control. The standard requires the joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. In addition, the option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation will be removed and replaced by equity accounting.

IFRS 11 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. Due to this new section, the Company will be required to disclose the following: judgments and assumptions made when deciding how to classify involvement with another entity, interests that non-controlling interests have in consolidated entities, and the nature of the risks associated with interests in other entities.

IFRS 12 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted (cont'd...)

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 will converge the IFRS requirements for how to measure fair value and the related disclosures. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS. Upon adoption, the Company will provide a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied. In addition, fair value will be defined as the 'exit price' and concepts of 'highest and best use' and 'valuation premise' would be relevant only for non-financial assets and liabilities.

IFRS 13 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IAS 1 - Presentation of Financial Statements ("IAS 1")

IAS 1 was amended by the IASB in June 2011 and relates to the presentation of items in other comprehensive income. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged.

The amendments to IAS 1 are required to be applied for annual periods beginning on or after July 1, 2012, with earlier adoption permitted. The Company has not yet assessed the impact of the amendment or determined whether it will adopt the amendments early.

IAS 12 – Income Taxes ("IAS 12")

IAS 1 was amended by the IASB in December 2010 and the amendment provides a solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes.

The amendment to IAS 12 is required to be applied for annual periods beginning on or after January 1, 2012, with earlier adoption permitted. The Company has not yet assessed the impact of the amendment or determined whether it will adopt the amendment early.

IAS 19 – Employee Benefits ("IAS 19")

IAS 19 was amended by the IASB in November 2011 and the amendment introduces changes to the accounting for defined benefit plans and other employee benefits. The amendments include elimination of the options to defer, or recognize in full in earnings, actuarial gains and losses and instead mandates the immediate recognition of all actuarial gains and losses in other comprehensive income and requires use of the same discount rate for both the defined benefit obligation and expected asset return when calculating interest cost. Other changes include modification of the accounting for termination benefits and classification of other employee benefits.

The amendments to IAS 19 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the amendments or determined whether it will adopt the amendments early.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted (cont'd...)

IAS 27- Separate Financial Statements ("IAS 27")

IAS 27 was amended by the IASB in September 2011 and the amendments have the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, associates when the entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

The amendments to IAS 27 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the amendments or determined whether it will adopt the amendments early.

IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")

IAS 28 was amended by the IASB in September 2011 and the amendments prescribe the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

The amendments to IAS 28 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the amendments or determined whether it will adopt the amendments early.

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20")

IFRIC 20 was issued by the IASB in December 2011 and clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) useable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

IFRIC 20 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

4. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

Issued

The capital was subscribed and paid in the amount of $ 1 on March 9, 2012, consisting of 1 share with no par value.

5. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprising issued capital stock and its deficit.

The Company is not subject to externally imposed capital requirements. The Company does not pay dividends. There were no changes to the Company's capital management strategies during the interim period ended June 30, 2012.

The Company intends to raise additional working capital as required by the issuance of its common shares in the future.

6. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - 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); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company has various financial instruments including cash, accounts receivable and accounts payable and accrued liabilities. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

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 manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

7. EVENTS AFTER THE REPORTING DATE

On May 2, 2012, the ultimate parent of the Company, CTF Technologies Inc., announced that it had signed a definitive agreement with Fleetcor Technologies Inc. ("FleetCor") pursuant to which FleetCor had agreed to acquire all of the issued and outstanding shares of CTF for an aggregate purchase price of US$180 million, subject to adjustment for debt, by way of a British Columbia, Canada court approved plan of arrangement. Pursuant to the transaction, CTF will spin out to its shareholders, on a pro- rata basis, shares of FTC Cards Inc., that is intended to operate a new loyalty card business in Brazil.

The Company received both shareholder approval at its meeting on June 26, 2012 and the requisite court approval, and completed the transaction on July 3, 2012, whereby the Company became a reporting issuer.