

NHS INDUSTRIES LTD. (FORMERLY 0998955 B.C. LTD.)

**Financial Statements
August 13, 2014
(Expressed in Canadian Dollars)**

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**INDEPENDENT AUDITOR'S REPORT TO THE
SHAREHOLDER OF NHS INDUSTRIES LTD. (FORMERLY 0998955 B.C. LTD.)**

I have audited the accompanying financial statements of NHS Industries Ltd. (0998955 B.C. Ltd.), which comprise the statement of financial position as at August 13, 2014, and the statement of changes in shareholder's equity and cash flows from the incorporation date on April 8, 2014 to August 13, 2014 then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of NHS Industries Ltd. (formerly 0998955 B.C. Ltd.) as at August 13, 2014, and its financial performance and its cash flows from the incorporation date on April 8, 2014 to August 13, 2014 then ended, in accordance with International Financial Reporting Standards.

"Adam Sung Kim Ltd."
Chartered Accountant

NHS INDUSTRES LTD. (FORMERLY 0998955 B.C.LTD.)

Statement of Financial Position

August 13, 2014

(Expressed in Canadian Dollars)

	2014
Assets	
Current	
Cash	\$ 1
Shareholder's Equity	
Capital Stock (note 5)	\$ 1

Approved by:

Carman Parente (signed)

Carman Parente, President

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

NHS INDUSTRES LTD. (FORMERLY 0998955 B.C.LTD.)
Statement of Changes in Shareholder's Equity
From the Incorporation Date on April 8, 2014 to August 13, 2014
(Expressed in Canadian Dollars)

	Capital Stock		Total
	Number	Amount	
Balance, April 8, 2014	-	\$ -	-
Share issued for cash on incorporation	1	1	1
Balance, August 13, 2014	1	\$ 1	1

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

NHS INDUSTRES LTD. (FORMERLY 0998955 B.C.LTD.)
Statement of Cash Flows
From the Incorporation Date on April 8, 2014 to August 13, 2014
(Expressed in Canadian Dollars)

	2014	
Financing Activity		
Share issued for cash	\$	1
Inflow of Cash		1
Cash, Beginning of Period		-
Cash, End of Period	\$	1

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NHS INDUSTRIES LTD. (FORMERLY 0998955 B.C. LTD.)

Notes to the Financial Statements

From the Incorporation Date on April 8, 2014 to August 13, 2014

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

NHS Industries Ltd. (formerly 0998955 B.C. Ltd.) (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on April 8, 2014, and is a wholly-owned subsidiary of New Age Farm Inc. The principal business of the Company is to commence its business as an agriculture based business in Langley, British Columbia. The address of its head office is located at Suite 106 – 1641 Lonsdale Avenue, North Vancouver, British Columbia, Canada, V7M 2J5.

Pursuant to and on the terms and subject to the condition set out in an amalgamation agreement among New Age Farm Inc. (“New Age”), NHS Industries Ltd. (“NHS”) and the Company dated April 30, 2014, New Age amalgamated with the Company to form a new company (“New Co”) and continue under the name NHS Industries Ltd. as a wholly owned subsidiary of New Age. On completion of the transaction on August 13, 2014, the former shareholders of NHS have 93.4% ownership interest of New Age and control the combined entity.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”).

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in note 3 have been applied consistently to all periods presented.

(b) Approval of the financial statements

The financial statements of the Company were approved by the director and authorized for issue on April 7, 2015.

(c) New accounting pronouncements

IFRS 9 Financial Instruments (2014)

The finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other

NHS INDUSTRIES LTD. (FORMERLY 0998955 B.C. LTD.)

Notes to the Financial Statements

From the Incorporation Date on April 8, 2014 to August 13, 2014

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

(c) New accounting pronouncements (Continued)

- comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

3) SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

i. Financial assets

The Company classifies its financial assets as FVTPL. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

ii. Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

NHS INDUSTRIES LTD. (FORMERLY 0998955 B.C. LTD.)

Notes to the Financial Statements

From the Incorporation Date on April 8, 2014 to August 13, 2014

(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Capital stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

4) RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its financial instrument as follows:

- Cash is classified as a financial asset at FVTPL

The carrying value of this financial asset approximates its fair value.

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

- Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk.

5) CAPITAL STOCK

(c) Authorized

Unlimited number of common shares without par value

(d) Issued and outstanding

On April 8, 2014, the date of incorporation, the Company issued one common share at a price of \$1.

6) CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.