

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of TransForce Inc.

We have audited the accompanying consolidated financial statements of TransForce Inc., which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TransForce Inc. as at December 31, 2015 and December 31, 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP*

February 11, 2016

Montréal, Canada

*CPA auditor, CA, public accountancy permit No. A109612

TransForce Inc.

Consolidated Financial Statements

Years ended December 31, 2015 and 2014

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

(in thousands of Canadian dollars)	Note	**As at December 31, 2015**	As at December 31, 2014
Assets			
Trade and other receivables	7	**507,872**	598,277
Inventoried supplies		**7,073**	9,853
Current taxes recoverable		**14,976**	-
Prepaid expenses		**29,961**	27,642
Derivative financial instruments	23	**11,375**	174
Assets held for sale	6	**27,746**	-
Disposal group held for sale	6	**219,403**	-
Current assets		**818,406**	635,946
Property and equipment	8	**981,861**	1,185,067
Intangible assets	9	**1,562,500**	1,597,695
Other assets	10	**8,143**	14,464
Deferred tax assets	15	**6,960**	5,070
Derivative financial instruments	23	**-**	347
Non-current assets		**2,559,464**	2,802,643
Total assets		**3,377,870**	3,438,589
Liabilities			
Bank indebtedness		**19,112**	22,288
Trade and other payables	11	**427,731**	440,677
Current taxes payable		**13,630**	1,917
Derivative financial instruments	23	**3,063**	3,340
Long-term debt	12	**604,789**	294,887
Current liabilities		**1,068,325**	763,109
Long-term debt	12	**1,010,311**	1,322,855
Employee benefits	13	**13,761**	13,647
Provisions	14	**10,758**	35,296
Derivative financial instruments	23	**9,579**	3,254
Deferred tax liabilities	15	**234,823**	271,015
Other financial liability		**2,941**	-
Non-current liabilities		**1,282,173**	1,646,067
Total liabilities		**2,350,498**	2,409,176
Equity			
Share capital	16	**764,343**	799,100
Contributed surplus	16,18	**17,819**	14,333
Accumulated other comprehensive income		**46,542**	28,649
Retained earnings		**198,668**	187,331
Equity attributable to owners of the Company		**1,027,372**	1,029,413
Operating leases, commitments, contingencies and letters of credit	24		
Subsequent events	26		
Total liabilities and equity		**3,377,870**	3,438,589

The notes on pages 6 to 52 are an integral part of these consolidated financial statements.

On behalf of the Board:

(signed) Director
Alain Bédard

(signed) Director
Ronald D. Rogers

(In thousands of Canadian dollars, except per share amounts)

	Note	**2015**	2014*
Revenue		**3,630,863**	2,942,938
Fuel surcharge		**399,026**	452,135
		4,029,889	3,395,073
Materials and services expenses	19	**2,385,971**	2,060,189
Personnel expenses	19, 20	**978,458**	789,475
Other operating expenses	19	**240,234**	216,624
		3,604,663	3,066,288
Income before the following:		**425,226**	328,785
Depreciation of property and equipment	19	**129,096**	86,035
Amortization of intangible assets	19	**47,130**	35,678
Gain on sale of property and equipment	19	**(23,565)**	(19,134)
Gain on sale of assets held for sale	19	**(3,896)**	-
Gain on sale of business	19	**-**	(1,403)
Operating Income		**276,461**	227,609
Finance income	21	**(1,894)**	(6,769)
Finance costs	21	**77,599**	70,985
Net finance costs		**75,705**	64,216
Income before income tax		**200,756**	163,393
Income tax expense	22	**55,024**	47,164
Net income from continuing operations		**145,732**	116,229
Net income from discontinued operations	6	**17,705**	11,689
Net income for the year attributable to owners of the Company		**163,437**	127,918
Earnings per share attributable to owners of the Company			
Basic earnings per share	17	**1.63**	1.29
Diluted earnings per share	17	**1.60**	1.26
Earnings per share from continuing operations attributable to owners of the Company			
Basic earnings per share	17	**1.45**	1.17
Diluted earnings per share	17	**1.43**	1.15

(*) Restated (see note 6)

The notes on pages 6 to 52 are an integral part of these consolidated financial statements.

(In thousands of Canadian dollars)

	Note	**2015**	2014
Net income for the year attributable to owners of the Company		**163,437**	127,918
Other comprehensive income			
Items that may be reclassified to income or loss in future years:			
Foreign currency translation differences		**116,881**	46,996
Net investment hedge, net of tax		**(98,988)**	(38,453)
Reclassification to income of accumulated unrealized gain on investment in equity securities, net of tax		**-**	(5,420)
Items that may never be reclassified to income or loss in future years:			
Defined benefit plan remeasurement losses, net of tax	13	**(338)**	(1,993)
Other comprehensive income, net of tax		**17,555**	1,130
Total comprehensive income for the year attributable to owners of the Company		**180,992**	129,048

The notes on pages 6 to 52 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2015 and 2014

(In thousands of Canadian dollars)

	Note	Share capital	Contributed surplus	Equity component of convertible debentures	Accumulated foreign currency translation differences	Accumulated unrealized gain on investment in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at December 31, 2014		**799,100**	**14,333**	**-**	**28,649**	**-**	**187,331**	**1,029,413**
Net income for the year		**-**	**-**	**-**	**-**	**-**	**163,437**	**163,437**
Other comprehensive income (loss), net of tax		**-**	**-**	**-**	**17,893**	**-**	**(338)**	**17,555**
Total comprehensive income for the year		**-**	**-**	**-**	**17,893**	**-**	**163,099**	**180,992**
Share-based payment transactions	18	**-**	**4,356**	**-**	**-**	**-**	**(15)**	**4,341**
Stock options exercised	16, 18	**2,767**	**(630)**	**-**	**-**	**-**	**-**	**2,137**
Warrants exercised	16	**240**	**(240)**	**-**	**-**	**-**	**-**	**-**
Dividends to owners of the Company		**-**	**-**	**-**	**-**	**-**	**(67,758)**	**(67,758)**
Repurchase of own shares	16	**(37,764)**	**-**	**-**	**-**	**-**	**(83,989)**	**(121,753)**
Total transactions with owners, recorded directly in equity		**(34,757)**	**3,486**	**-**	**-**	**-**	**(151,762)**	**(183,033)**
Balance as at December 31, 2015		**764,343**	**17,819**	**-**	**46,542**	**-**	**198,668**	**1,027,372**
Balance as at December 31, 2013		577,993	17,233	7,767	20,106	5,420	162,298	790,817
Net income for the year		-	-	-	-	-	127,918	127,918
Other comprehensive income (loss) for the year, net of tax		-	-	-	8,543	(5,420)	(1,993)	1,130
Total comprehensive income (loss) for the year		-	-	-	8,543	(5,420)	125,925	129,048
Share-based payment transactions	18	-	4,006	-	-	-	-	4,006
Stock options exercised	16, 18	5,624	(1,296)	-	-	-	-	4,328
Warrants exercised	16	24,469	(5,610)	-	-	-	-	18,859
Conversion of convertible debentures		207,695	-	(7,516)	-	-	-	200,179
Dividends to owners of the Company		-	-	-	-	-	(60,412)	(60,412)
Repurchase of own shares	16	(16,681)	-	-	-	-	(40,731)	(57,412)
Total transactions with owners, recorded directly in equity		221,107	(2,900)	(7,516)	-	-	(101,143)	109,548
Repurchase of convertible debentures		-	-	(251)	-	-	251	-
Balance as at December 31, 2014		799,100	14,333	-	28,649	-	187,331	1,029,413

The notes on pages 6 to 52 are an integral part of these consolidated financial statements.

(In thousands of Canadian dollars)

	Note	**2015**	2014*
Cash flows from (used in) operating activities			
Net income for the year attributable to owners of the Company		**163,437**	127,918
Net income from discontinued operations	6	**17,705**	11,689
Net income from continuing operations		**145,732**	116,229
Adjustments for			
Depreciation of property and equipment	8	**129,096**	86,035
Amortization of intangible assets	9	**47,130**	35,678
Share-based payment transactions	18	**4,341**	4,006
Net finance costs	21	**75,705**	64,216
Income tax expense	22	**55,024**	47,164
Gain on sale of property and equipment	19	**(23,565)**	(19,134)
Gain on sale of assets held for sale	19	**(3,896)**	-
Gain on sale of business		**-**	(1,403)
Employee benefits and provisions	13	**194**	(4,323)
		429,761	328,468
Net change in non-cash operating working capital		**57,576**	2,568
Cash generated from operating activities		**487,337**	331,036
Interest paid		**(62,134)**	(52,590)
Income tax paid		**(60,791)**	(49,075)
Net realized loss on derivatives		**(5,567)**	(839)
Net cash from continuing operations		**358,845**	228,532
Net cash from discontinued operations		**66,079**	76,462
		424,924	304,994
Cash flows from (used in) investing activities			
Purchases to property and equipment	8	**(155,875)**	(69,269)
Proceeds from sale of property and equipment		**68,065**	84,179
Proceeds from sale of assets held for sale		**22,410**	-
Purchases to intangible assets	9	**(1,714)**	(1,424)
Business combinations, net of cash acquired	5	**(44,764)**	(814,218)
Proceeds from sale of business		**-**	4,146
Others		**1,012**	1,245
Net cash used in investing activities from continuing operations		**(110,866)**	(795,341)
Net cash from (used in) investing activities from discontinued operations		**12,711**	(9,579)
		(98,155)	(804,920)
Cash flows from (used in) financing activities			
Increase in bank indebtedness		**1,293**	11,404
Proceeds from long-term debt		**37,988**	949,983
Repayment of long-term debt		**(177,079)**	(370,612)
Dividends paid		**(68,555)**	(56,561)
Repurchase of own shares		**(121,753)**	(57,412)
Proceeds from exercise of stock options		**2,137**	4,328
Proceeds from exercise of warrants	16	**-**	18,859
Net cash from (used in) the financing activities from continuing operations		**(325,969)**	499,989
Net cash from (used in) the financing activities from discontinued operations		**(800)**	(63)
		(326,769)	499,926
Net change in cash and cash equivalents		**-**	-
Cash and cash equivalents, beginning of period		**-**	-
Cash and cash equivalents, end of period		**-**	**-**

* Restated (See note 6)

The notes on pages 6 to 52 are an integral part of these consolidated financial statements.

1. Reporting entity

TransForce Inc. (the "Company") is incorporated under the *Canada Business Corporations Act*, and is a company domiciled in Canada. The address of the Company's registered office is 8801 Trans-Canada Highway, Suite 500, Montreal, Quebec, H4S 1Z6.

The consolidated financial statements of the Company as at and for the years ended December 31, 2015 and 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is involved in the provision of transportation and logistics services across Canada and the United States.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were authorized for issue by the Board of Directors on February 11, 2016.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- investment in equity securities, derivative financial instruments, forward purchase agreement and contingent considerations are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value in accordance with IFRS 2;
- the defined benefit pension plan liability is recognized as the net total of the present value of the defined benefit obligation less the fair value of the plan assets; and
- assets and liabilities acquired in business combinations are measured at fair value at acquisition date.

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("C$" or "CDN$"), which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of the accompanying financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, identified assets and liabilities acquired in business combinations, other long-lived assets, income taxes, site restoration obligations and pension obligations. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 – Establishing the fair value of assets and liabilities, intangible assets and goodwill related to business combinations;

Note 9 – Determining estimates and assumptions related to impairment tests for long-lived assets and goodwill;

Note 6, 14 and 24 – Recognition and measurement of provisions and contingencies.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

a) Basis of consolidation

i) Business combinations

The Group measures goodwill as the fair value of the consideration transferred including the fair value of liabilities resulting from contingent consideration arrangements, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at fair value as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in income or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Group.

iii) Forward purchase agreement

As part of a certain business combination, the Company has entered into a forward purchase agreement to purchase the non-controlling interest holders stake in the respective company. Under the forward purchase agreement, the Company will acquire the non-controlling interest in the future at a formulaic variable price based mainly on the earnings levels in future periods (the “exit price”). The agreement does not include a specified minimum amount for the forward purchase price.

When the forward granted to the non-controlling shareholders provides for settlement in cash or in another financial asset by the Company, the Company is required to recognize a liability for the present value of the exercise price of the forward.

In accounting for this transaction, the Company applies the anticipated acquisition method of accounting. Under this method of accounting, the forward purchase agreement is accounted for on the acquisition date as if the forward had already been exercised and satisfied by the non-controlling shareholders. As a result, the underlying interests are presented as already owned by the Company in the consolidated statements of financial position, the consolidated statements of income and the consolidated statements of comprehensive income, even though legally they are still considered non-controlling interest.

The forward purchase agreement is considered a financial liabilities and is initially recognized at the present value of the exercise price of the forward (recorded as other financial liability on the consolidated statements of financial position). The forward is re-measured to fair value at each reporting date and any subsequent changes are recognized in the consolidated statements of income as finance income or costs.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency translation

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate in effect at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the rate in effect on the transaction date. Income and expense items denominated in foreign currency are translated at the date of the transactions. Gains and losses are included in income or loss.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on business combinations, are translated to Canadian dollars at exchange rates in effect at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at the average exchange rate in effect during the reporting period.

Foreign currency differences are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation differences is transferred to income or loss as part of the income or loss on disposal. On the partial disposal of a subsidiary while retaining control, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to income or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

c) Discontinued operations

A discontinued operation is a component of the Group's business; the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of income and comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

d) Financial instruments

i) Non-derivative financial assets and liabilities

The Group initially recognizes loans and receivables, investment in equity securities, debt issued, and subordinated liabilities on the date that they are originated. All other financial assets and liabilities (including assets designated at fair value through income or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

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

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has classified non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially 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.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an available-for-sale financial asset is derecognized, the gain or loss accumulated in the fair value reserve is reclassified to income or loss. The Group's available-for-sale financial assets comprise only of quoted equity securities, which are included in other assets.

The Group has the following non-derivative financial liabilities: bank indebtedness, trade and other payables, other financial liability (forward purchase agreement liability) and long-term debt. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method, except for the other financial liability, which is re-measured to fair value at each reporting date.

ii) Share capital

Common shares

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

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity.

iii) Compound financial instrument

Compound financial instruments issued by the Group comprise convertible debentures that can be converted to common shares at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognized in income or loss. On conversion, the financial liability is reclassified to equity with no gain or loss recognized in income or loss.

iv) Derivative financial instruments

The Group uses derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through income or loss.

Derivatives and embedded derivatives are recognized initially at fair value; related transaction costs are recognized in income or loss as incurred. Subsequent to initial recognition, derivatives and embedded derivatives are measured at fair value, and changes therein are recognized in net change in fair value of foreign exchange derivatives in income or loss with the exception of net change in fair value of cross currency interest rate swap contracts recognized in net foreign exchange gain or loss in income or loss.

e) Hedge accounting

Effective July 3, 2014, the Group designated a portion of its U.S. dollar ("US$") denominated debt as a hedging item in a net investment hedge. The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency (CDN$), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in the currency translation differences account within equity. To the extent that the hedge is ineffective, such differences are recognized in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

f) Property and equipment

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

Cost includes expenditures that are directly attributable to the acquisition of the asset, the costs of dismantling and removing the assets and restoring the site on which they are located, and borrowing costs on qualifying assets.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in net income or loss.

Depreciation is based on the cost of an asset less its residual value and is recognized in income or loss over the estimated useful life of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation method and useful lives are as follows:

Categories	Basis	Useful lives
Buildings	Straight-line	15 – 40 years
Rolling stock	Primarily straight-line	3 – 20 years
Equipment	Primarily straight-line	5 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property and equipment are reviewed for impairment in accordance with IAS 36 *Impairment of Assets* when there are indicators that the carrying value may not be recoverable.

g) Intangible assets

i) Goodwill

Goodwill that arises upon business combinations is included in intangible assets.

Goodwill is not amortized and is measured at cost less accumulated impairment losses.

ii) Other intangible assets

Intangible assets consist of customer relationships, trademarks, non-compete agreements and permits, and information technology.

Other intangible assets that are acquired by the Group and have finite lives are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight-line basis over the following estimated useful lives:

Categories	Useful lives
Customer relationships	5 – 15 years
Trademarks	5 – 20 years
Non-compete agreements and permits	3 – 40 years
Information technology	5 – 7 years

Useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Leased assets

i) Other than landfill leases

Leases with terms which indicate that the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group's statements of financial position.

ii) Landfill leases

From an operating perspective, leased landfills are similar to owned landfills because generally the Group owns the landfill's operating permit and will operate the landfill for the entire lease term, which in many cases is the life of the landfill. As a result, landfill leases are generally finance leases. The most significant portion of the rental obligations for landfill leases is contingent upon operating factors such as disposal volumes. For landfill capital leases that provide for minimum contractual rental obligations, the landfill asset is recorded at the present value of the minimum obligation and is amortized on a unit-of-production method over the shorter of the lease term or the life of the landfill.

i) Inventoried supplies

Inventoried supplies consist primarily of repair parts and fuel and are measured at the lower of cost and net realizable value.

j) Impairment

i) Financial assets

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

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between 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 income 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 income or loss.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventoried supplies and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated on December 31 of each year.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs (usually a Group's operating segment), that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses and impairment reversals are recognized in income or loss.

k) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in income or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortized or depreciated.

l) Employee benefits

i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in income or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or income-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv) Share-based payment transactions

The grant date fair value of equity share-based payment awards granted to employees is recognized as a personnel expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service condition at the vesting date.

The fair value of the amount payable to board members in respect of deferred share unit ("DSU"), which are to be settled in cash, is recognized as an expense with a corresponding increase in liabilities. The liability is remeasured at each reporting date until settlement. Any changes in the fair value of the liability are recognized as finance income or costs in income or loss.

v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be fully settled within 12 months of the end of the reporting period, then they are discounted.

m) Provisions

A provision is recognized if, as a result of a past event, the Group 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. If the effect of the time value of money is material, 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 risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as finance cost.

Site restoration

Site restoration obligations are recognized in the period in which the Group has a legal or constructive obligation to restore the environment or dismantle an asset. Site restoration obligations are measured based on management's best estimate of the expenditures that will be made to settle the obligation, in accordance with the general requirements for provisions. The associated costs are capitalized as part of the carrying value of the related asset and depreciated over its remaining useful life.

n) Revenue recognition

The Group's normal business operations consist of the provision of transportation and logistics services. All income relating to normal business operations is recognized as revenue based on the stage of completion of the service in the statements of comprehensive income. The stage of completion of the service is determined using the proportion of costs incurred to date compared to the estimated total costs of the service. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Revenue is recognized as services are rendered, when the amount of revenue and income can be reliably measured and in all probability the economic benefits from the transactions will flow to the Group.

o) Lease payments

Payments made under operating leases are recognized in income or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

p) Finance income and finance costs

Finance income comprises interest income on funds invested, available-for-sale financial assets, dividend income, and bargain purchase gains on business acquisitions. Interest income is recognized as it accrues in income or loss, using the effective interest method.

Finance costs comprise interest expense on bank indebtedness and long-term debt, unwinding of the discount on provisions and impairment losses recognized on financial assets (other than trade receivables).

Fair value gains or losses on derivative financial instruments and on contingent considerations, and foreign currency gains and losses are reported on a net basis as either finance income or cost.

q) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income or loss except to the extent that it relates to a business combination, or items 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 or substantively enacted at the reporting date, 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 income or loss, and differences relating to investments in subsidiaries and jointly controlled entities 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 at 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 income 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.

r) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants, and restricted share units and stock options granted to employees.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief executive officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, income tax assets, liabilities and expenses, as well as long-term debt and interest expense thereon.

Sales between Group's segments are measured at the exchange amount. Transactions, other than sales, are measured at carrying value. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

t) New standards and interpretations adopted during the year

The Group has adopted the following new standards and amendments to standards and interpretations, with a date of initial application of January 1, 2015 and have been applied in preparing these consolidated financial statements:

Amendments to IAS 19, *Employee Benefits*, introduce a relief (practical expedient) that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. When employee contributions are eligible for the practical expedient, the Group recognizes them as a reduction of the service cost in the period in which the related service is rendered. When the Group cannot apply the practical expedient, the amendments clarify how service-like contributions from employees or third parties should be included in determining net current service cost and the defined benefit obligation. Adoption of amendments to IAS 19 did not have a material impact on the Group's consolidated financial statements.

u) New standards and interpretations not yet adopted

The following new standards are not yet effective for the year ending December 31, 2015, and have not been applied in preparing these consolidated financial statements:

IFRS 9, Financial Instruments, which will replace *IAS 39, Financial Instruments: Recognition and Measurement,* and will become mandatorily effective for annual periods beginning on or after January 1, 2018. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The complete standard was issued in July 2014, and the Group does not intend to early adopt the standard in its consolidated financial statements. IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model. The Group intends to adopt IFRS (2014) in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 15, Revenue from Contracts with Customers: On May 28, 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for annual periods beginning on or after January 1, 2018. The Group does not intend to early adopt the standard in its consolidated financial statements. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The Group intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

Annual Improvements to IFRS (2012-2014 cycle): On September 25, 2014 the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvements process. The amendments will apply for annual periods beginning on or after January 1, 2016. Each of the amendments has its own specific transition requirements, Amendments were made to clarify the following in their respective standards:

- Changes in method for disposal under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- Continuing involvement' for servicing contracts and offsetting disclosures in condensed interim financial statements under IFRS 7 Financial Instruments: Disclosures;
- Discount rate in a regional market sharing the same currency under IAS 19 Employee Benefits;
- Disclosure of information 'elsewhere in the interim financial report' under IAS 34 Interim Financial Reporting;

The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the standard has not yet been determined.

Disclosure Initiative: Amendments to IAS 1: On December 18, 2014 the IASB issued amendments to IAS 1 Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments will not require any significant changes to current practice, but should facilitate improved financial statement disclosures. The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the standard has not yet been determined.

4. Segment reporting

The Group operates within the transportation and logistics industry in Canada and the United States in different reportable segments, as described below. Effective April 1, 2014, the composition of reportable segments has been modified to reflect the changes in the structure of the Group's internal organisation. The newly adopted presentation continues to show separately the operating segments that are managed independently as they require different technology and capital resources. In addition, current presentation reflects the nature of services for all of the operating segments whereas prior presentation for the Specialized Services – services to the energy sector operating segment was mainly based on the type of customer. Group's management believes that newly adopted presentation better enables users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

As a result of modifications to the composition of its operating segments on April 1st, 2014, the Group's goodwill allocated to its operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, had to be reallocated based on the relative values of the cash-generating units affected by the modifications.

Following the reallocation of its goodwill, the Group performed a goodwill impairment test on the rig moving services operating segment and the results determined that the carrying value of the Group's rig moving services operating segment exceeded its recoverable amount, requiring the complete depreciation of this segment's goodwill in the amount of $27.8 million.

When the Group changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is recasted to conform to the new structure.

For each of the operating segments, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Package and Courier:	Pickup, transport and delivery of items across North America.
Less-Than-Truckload:	Pickup, consolidation, transport and delivery of smaller loads.
Truckload[(a)]:	Full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customer's specific needs. Includes expedited transportation, flatbed, container and dedicated services.
Logistics:	Logistics services.

(a) The truckload segment represents the aggregation of the truckload and specialized truckload operating segments. These operating segments have similar cost structures and are evaluated using the same key performance indicators.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment income or loss before net finance income or costs and income tax ("operating income or loss"), as finance income or costs and income tax are not allocated to reportable segments. This measure is included in the internal management reports that are reviewed by the Group's CEO and refers to "Operating income" in the consolidated statements of income. Segment's operating income or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Package and Courier	Less-Than-Truckload	Truckload	Logistics (*)	Corporate	Eliminations	Total
2015							
External revenue	**1,341,082**	**864,799**	**1,579,173**	**244,835**	**-**	**-**	**4,029,889**
Inter-segment revenue	**6,741**	**18,109**	**35,018**	**9,401**	**-**	**(69,269)**	**-**
Total revenue	**1,347,823**	**882,908**	**1,614,191**	**254,236**	**-**	**(69,269)**	**4,029,889**
Depreciation and amortization	**33,844**	**31,468**	**105,456**	**3,521**	**1,937**	**-**	**176,226**
Operating income (loss)	**90,195**	**45,756**	**134,080**	**27,872**	**(21,442)**	**-**	**276,461**
Intangible assets	**468,810**	**219,381**	**777,541**	**94,420**	**2,348**	**-**	**1,562,500**
Total assets	**728,797**	**658,035**	**1,576,663**	**132,330**	**30,922**	**-**	**3,126,747**
Total liabilities	**168,979**	**145,896**	**308,707**	**23,165**	**1,695,167**	**-**	**2,341,914**
Additions to property and equipment	**17,667**	**21,667**	**113,539**	**2,063**	**2,866**	**-**	**157,802**
2014*							
External revenue	1,297,069	902,471	1,022,230	173,303	-	-	3,395,073
Inter-segment revenue	6,699	8,339	40,161	9,077	-	(64,276)	-
Total revenue	1,303,768	910,810	1,062,391	182,380	-	(64,276)	3,395,073
Depreciation and amortization	35,369	33,121	48,606	3,164	1,453	-	121,713
Operating income (loss)	91,225	61,094	86,860	16,872	(28,442)	-	227,609
Intangible assets	412,661	225,479	747,199	89,990	2,474	-	1,477,803
Total assets	645,894	705,976	1,522,800	143,487	12,673	-	3,030,830
Total liabilities	150,490	157,625	273,688	35,836	1,694,193	-	2,311,832
Additions to property and equipment	21,876	11,740	34,499	234	920	-	69,269

(*) Restated (see note 6)

Geographical information

Revenue is attributed to geographical locations based on the origin of service's location. Segment assets are based on the geographical location of the assets.

	2015	2014*
Revenue		
Canada	**2,531,718**	2,332,387
United States	**1,498,171**	1,062,686
	4,029,889	3,395,073

(*) Restated (see note 6)

	2015	2014
Property and equipment and intangible assets		
Canada	**1,755,198**	2,075,320
United States	**789,163**	707,442
	2,544,361	2,782,762

5. Business combinations

a) Business combinations

In line with the Group's growth strategy, the Group acquired four businesses during 2015.

On May 4, 2015, the Group acquired Hazen Final Mile ("Hazen") for an aggregate consideration of $26.4 million which was paid in cash. Hazen, a main provider in final mile transportation services, offers various dedicated delivery services in various industries such as retail, office supplies and more.

On July 9, 2015, the Group completed the acquisition of All Canadian Courier ("ACC") for an aggregate amount of $9.5 million to further grow its Parcel and Courier segment. Established in 1989, ACC has earned a reputation for offering unique solutions to their customers' specific challenges with unparalleled service and advanced shipping, tracking and reporting technology systems.

On October 1, 2015 the Group acquired Vanroboys Trucking LTD ("Vanroboys") for cash consideration of $3.1 million. Vanroboys is engaged in the business of waste and other bulk materials hauling in the province of Ontario and in Michigan.

On December 1, 2015, the Group completed the purchase of 75% of Optimal Freight ("Optimal") for an aggregate amount of $6.3 million in cash. Optimal operates in the logistics segment and is located in the United States. As part of the acquisition, the Group entered into a forward purchase agreement with the non-controlling interest holder for the purchase of its 25% stake in Optimal for a variable price based on earnings levels in the future periods. The forward purchase agreement can be exercised anytime during 2018 to 2020.

The following table provides the revenue and net income contributions of the above 2015 business combinations from their respective date of acquisition and as if these acquisitions had occurred on January 1, 2015, per management's best estimates. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2015.

2015 business combinations contributions	From acquisition date		Estimated - if acquired on January 1, 2015	
Business (acquisition date)	Revenue	Net income	Revenue	Net income
Hazen (May 4)	38,121	54	57,000	80
ACC (July 9)	12,673	554	25,000	1,090
Vanroboys (October 1)	1,085	28	6,000	200
Optimal (December 1)	1,103	27	20,000	490

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of ACC, Hazen and Optimal. Information to confirm fair value of certain assets and liabilities is still to be obtained for these acquisitions. As the Group obtains more information, the allocation will be completed. The table below presents the purchase price allocation based on the best information available to the Group to date.

Identifiable assets acquired and liabilities assumed	Note	Hazen	ACC	Optimal	Vanroboys	**2015**	2014
Cash and cash equivalents		-	469	58	-	**527**	39,847
Trade and other receivables		222	3,550	1,792	26	**5,590**	188,248
Inventoried supplies and prepaid expenses		199	212	13	-	**424**	15,004
Property and equipment	8	913	325	60	2,444	**3,742**	538,773
Intangible assets	9	11,402	4,649	1,873	630	**18,554**	292,699
Other assets		-	-	2	-	**2**	-
Trade and other payables		(450)	(2,432)	(1,111)	-	**(3,993)**	(128,622)
Income tax payable		-	(1,187)	-	-	**(1,187)**	-
Long-term debt		-	(194)	-	-	**(194)**	(377,345)
Deferred tax liabilities		-	(477)	-	-	**(477)**	(151,901)
Total identifiable net assets		12,286	4,915	2,687	3,100	**22,988**	416,703
Total consideration transferred		26,396	9,532	9,105	3,100	**48,133**	900,792
Goodwill	9	14,110	4,617	6,418	-	**25,145**	484,089
Cash		26,396	9,532	6,263	3,100	**45,291**	878,128
Forward purchase agreement liability		-	-	2,842	-	**2,842**	-
Investment in equity securities of Vitran already owned		-	-	-	-	**-**	22,664
Total consideration transferred		26,396	9,532	9,105	3,100	**48,133**	900,792

Of the goodwill and intangible assets acquired through business combinations in 2015, $27.7 million is deductible for tax purposes (2014 - $26.5 million).

No significant transaction costs have been expensed in relation to the above mentioned acquisitions.

During 2014, the Group acquired six businesses, four of which were considered significant.

On January 1, 2014, the Group acquired all of the issued and outstanding shares of Clarke Transport Inc. and of Clarke Road Transport Inc. (together referred to as ‘‘Clarke’’), two subsidiaries of Clarke Inc., for an aggregate consideration of $58.4 million which was paid in cash. Clarke Transport Inc., a fully integrated provider of LTL intermodal transportation services, operates a network of 15 terminals across Canada. Clarke Road Inc. offers regular and specialized TL transportation services.

On March 26, 2014, the Group completed the acquisition of 100% of Vitran Corporation Inc. (‘‘Vitran’’), a fully integrated provider of LTL intermodal transportation services, by acquiring the remaining 81% of Vitran previously not owned by the Group for consideration of US $6.50 in cash per share. The pre-tax unrealized gain on previously owned shares of Vitran totalling $6.2 million was reclassified from other comprehensive income and is presented in finance costs in the consolidated statements of comprehensive income.

On July 3, 2014, the Group completed the acquisition of the entire share capital of Transport Corporation of America Inc. (‘‘Transport America’’) for an aggregate consideration of $164.2 million which was paid in cash. Transport America provides an integrated offering of dry-van TL transportation services across the United States. It offers a wide array of short and long haul freight carriage, expedited and dedicated shipping services, as well as international and intermodal services through various partners.

On November 14, 2014, the Group acquired control of Contrans Group Inc. (“Contrans”) through the purchase of 84% of its shares (the remaining 16% was acquired during the remainder of 2014) for $14.60 per share for an aggregate consideration of $514.9 million which was paid in cash. The largest specialized truckload company in Canada, Contrans will strengthen TransForce’s market position in North America. The transaction was financed with $550 million of new credit facilities.

b) Goodwill

The goodwill is attributable mainly to the premium of an established business operation with a good reputation in the transportation industry, and the synergies expected to be achieved from integrating the acquired entity into the Group's existing business.

The goodwill arising in the above business combinations has been allocated to operating segments as indicated in the table below, which represents the lowest level at which goodwill is monitored internally.

Operating segment	Reportable segment	**2015**	2014
Package and Courier	Package and Courier	**18,727**	12,783
Less-Than-Truckload	Less-Than-Truckload	**-**	66,361
Truckload	Truckload	**-**	141,806
Specialized Truckload	Truckload	**-**	260,663
Logistics	Logistics	**6,418**	2,476
		25,145	484,089

c) Adjustment to the provisional amounts of prior period business combinations

The 2014 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration and net assets acquired of Transport America and Contrans. These acquisitions were accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in light of information obtained during the measurement period following the acquisition. Consequently, the fair value of certain assets acquired and liabilities assumed of Contrans have been adjusted in 2015. As a result, the intangibles have been increased by $7.4 million and deferred tax liability increased by $0.3 million while income tax payable included in the trade and other payables has been decreased by $0.4 million and goodwill decreased by $7.5 million. No adjustment was required to the provisions for Transport America.

6. Discontinued operations

On September 30, 2015, the Company decided to cease operations in the rig moving operating segment and accordingly has classified all of the assets as held for sale.

On October 29, 2015, the Company commenced the process of selling the Waste Management segment ("waste") to GFL Environmental Inc. ("GFL") for total consideration of $800 million, subject to customary closing adjustments, which includes an unsecured promissory note of $25 million yielding 3% interest with a term of 4 years. The waste operations were transferred to GFL on February 1, 2016 and therefore a full year of operations was included in the Company's financial results for 2015.

The following table presents the net income (loss) from discontinued operations for the years ended December 31:

	2015			2014		
	Rig Moving	**Waste**	**Total**	Rig Moving	Waste	Total
Revenue	**44,098**	**210,331**	**254,429**	128,351	191,245	319,596
Expenses	**77,790**	**159,017**	**236,807**	151,745	149,581	301,326
Income (loss) before income tax	**(33,692)**	**51,314**	**17,622**	(23,394)	41,664	18,270
Income tax (recovery) expense	**(13,793)**	**13,710**	**(83)**	(4,775)	11,356	6,581
Net income (loss) from discontinued operations[(1)]	**(19,899)**	**37,604**	**17,705**	(18,619)	30,308	11,689
Earnings per share from discontinued operations						
Basic earnings (loss) per share	**(0.20)**	**0.38**	**0.18**	(0.19)	0.31	0.12
Diluted earnings (loss) per share	**(0.20)**	**0.37**	**0.17**	(0.18)	0.30	0.12
Additional information:						
Depreciation of property and equipment	**14,705**	**23,351**	**38,056**	10,466	16,456	26,922

(1) The net income (loss) from discontinued operations are fully attributable to the owners of the company

The assets and liabilities of the discontinued operations were as follows:

	Rig Moving	**Waste**	**2015[(1)]**	2014
Current assets	**29 184**	**37,898**	**67,082**	67,972
Non-current assets	**-**	**266,443**	**266,443**	339,787
Current liabilities	**(6 048)**	**(28,577)**	**(34,625)**	(39,195)
Non-current liabilities	**-**	**(56,361)**	**(56,361)**	(58,149)

(1) The assets and liabilities of discontinued operations have been mainly classified as assets held for sale or disposal group held for sale in 2015.

Site Restoration obligations

Site restoration obligations are part of the disposal group held for sale. They are recognized at fair value and include costs associated with the Group's landfill operations in its waste management service operating segment:

Total undiscounted amount of the estimated cash flows	58,699
Discount rate	2.94% to 4.38%
Inflation rate	2%

The estimate of the total liability for future site restoration obligations is subject to change, based on amendments to laws and regulations and as new information concerning the Group's operations becomes available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions may be significant and would be recognized prospectively as a change in estimate, when applicable.

7. Trade and other receivables

	2015	2014
Trade receivables	**484,556**	573,034
Other receivables	**23,316**	25,243
	507,872	598,277

The Group's exposure to credit and currency risks related to trade and other receivables is disclosed in note 23.

8. Property and equipment

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2013	376,362	661,563	187,056	1,224,981
Additions through business combinations	183,898	343,907	10,968	538,773
Other additions	10,479	59,139	33,455	103,073
Disposals	(45,997)	(56,767)	(6,206)	(108,970)
Reclassification to assets held for sale	-	(9,962)	-	(9,962)
Effect of movements in exchange rates	2,190	25,554	1,422	29,166
Balance at December 31, 2014	**526,932**	**1,023,434**	**226,695**	**1,777,061**
Additions through business combinations	**85**	**3,166**	**493**	**3,744**
Other additions	**7,874**	**153,872**	**21,763**	**183,509**
Disposals	**(21,584)**	**(154,586)**	**(10,513)**	**(186,683)**
Reclassification to assets held for sale	**(28,882)**	**(80,890)**	**-**	**(109,772)**
Reclassification to disposal group held for sale	**(65,024)**	**(85,515)**	**(92,307)**	**(242,846)**
Effect of movements in exchange rates	**5,192**	**49,181**	**3,351**	**57,724**
Balance at December 31, 2015	**424,593**	**908,662**	**149,482**	**1,482,737**
Depreciation				
Balance at December 31, 2013	65,974	357,654	98,933	522,561
Depreciation for the year	11,034	79,408	22,515	112,957
Disposals	(2,061)	(31,745)	(5,386)	(39,192)
Reclassification to assets held for sale	-	(9,783)	-	(9,783)
Effect of movements in exchange rates	454	4,270	727	5,451
Balance at December 31, 2014	**75,401**	**399,804**	**116,789**	**591,994**
Depreciation for the year	**13,182**	**123,623**	**30,347**	**167,152**
Disposals	**(6,865)**	**(102,608)**	**(8,652)**	**(118,125)**
Reclassification to assets held for sale	**(4,328)**	**(43,260)**	**-**	**(47,588)**
Reclassification to disposal group held for sale	**(10,780)**	**(42,327)**	**(48,890)**	**(101,997)**
Effect of movements in exchange rates	**1,010**	**6,475**	**1,955**	**9,440**
Balance at December 31, 2015	**67,620**	**341,707**	**91,549**	**500,876**
Net carrying amounts				
At December 31, 2014	451,531	623,630	109,906	1,185,067
At December 31, 2015	**356,973**	**566,955**	**57,933**	**981,861**

During 2015 an impairment of $6.2 million was recognized on assets belonging to the rig moving segment (nil - 2014).

Leased assets

The Group leases items of rolling stock and equipment under a number of finance lease agreements. For the majority of these leases, the Group is responsible for the residual value on termination date. The leased assets secure lease obligations (see note 12). At December 31, 2015, the net carrying amount of leased assets was $50.8 million (2014 - $71.4 million). During the year ended December 31, 2015, the Group acquired leased assets in the amount of $1.9 million (2014 – nil) under finance lease agreements and all other new leased assets come from business acquisitions.

Security

At December 31, 2015 certain rolling stock are pledged as security for conditional sales contracts, with a carrying amount of $83.3 million (2014 - $84.8 million) (see note 12).

9. Intangible assets

		Other intangible assets				
Net carrying amounts	Goodwill	Customer relationships	Trademarks	Non-compete agreements and permits	Information technology	Total
Balance at December 31, 2013	613,077	99,058	25,606	99,062	13,908	850,711
Additions through business combinations	484,089	255,219	34,999	1,682	799	776,788
Other additions	-	-	-	-	1,438	1,438
Disposition on sale of business	(934)	-	-	-	(39)	(973)
Amortization	-	(27,176)	(4,069)	(4,199)	(4,473)	(39,917)
Impairment	(27,839)	-	-	-	-	(27,839)
Effect of movements in exchange rates	25,106	9,385	2,594	14	388	37,487
Balance at December 31, 2014	**1,093,499**	**336,486**	**59,130**	**96,559**	**12,021**	**1,597,695**
Additions through business combinations	**17,593**	**22,365**	**1,641**	**1,804**	**144**	**43,547**
Other additions	**-**	**1,214**	**-**	**-**	**1,343**	**2,557**
Amortization	**-**	**(36,535)**	**(6,095)**	**(4,300)**	**(4,730)**	**(51,660)**
Reclassed to disposal group held for sale	**(22,369)**	**(1,353)**	**-**	**(92,439)**	**(45)**	**(116,206)**
Effect of movements in exchange rates	**58,588**	**22,591**	**4,539**	**163**	**686**	**86,567**
Balance at December 31, 2015	**1,147,311**	**344,768**	**59,215**	**1,787**	**9,419**	**1,562,500**

As at December 31, 2015, the cost of other intangible assets is $551.1 million (2014 – $608.5 million) and the accumulated amortization is $135.9 million (2014 – $104.3 million). In 2015, an amount of $4.5 million of amortization is related to the waste management segment (2014 – $4.2 million) and an impairment charge of $27.8 million related to the rig moving segment in 2014.

Goodwill impairment test

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Reportable segment / operating segment	**2015**	2014
Package and Courier	**372,561**	328,730
Less-Than-Truckload	**138,305**	135,805
Truckload		
Truckload	**223,376**	196,737
Specialized Truckload	**370,878**	371,903
Waste Management [(1)]	**-**	22,369
Logistics	**42,191**	37,955
	1,147,311	1,093,499

[(1)] The goodwill of $22,369 in the Waste Management segment is included in the disposal group held for sale in 2015

The Group performed its goodwill impairment tests as at December 31, 2015 and 2014. The results determined that the recoverable amounts of the Group's operating segments exceeded their respective carrying amounts.

The recoverable amounts of the Group's operating segments were determined using the value in use. The value in use methodology is based on discounted future cash flows. Management believes that the discounted future cash flows method is valuable as it allows more precise valuation of specific future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates as follows:

Reportable segment / operating segment	**2015**	2014
Package and Courier	**9.0%**	10.0%
Less-Than-Truckload	**7.2%**	7.0%
Truckload	**-**	
Truckload	**10.3%**	10.8%
Specialized Truckload	**9.9%**	10.9%
Waste Management [(a)]		9.3%
Logistics	**9.9%**	10.3%

[(a)] The Waste Management segment is classified as a discontinued operation. See note 6

The discount rates were estimated based on past experience, and industry average weighted average cost of capital, which were based on a possible range of debt leveraging of 50.0% (2014 – 50.0%) at a market interest rate of 6.6% (2014 – 7.1%)

First year cash flows were projected based on past experience actual operating results and reflect current economic conditions. For a further 4-year period, cash flows were extrapolated using an average growth rate of 2.0% (2014 – 2.0%) in revenues and margins were adjusted where deemed appropriate for each operating segment. The terminal value growth rate was 2.0% (2014 – 2.0%) for each operating segment. The values assigned to the key assumptions represent management's assessment of future trends in the transportation industry and was based on both external and internal sources (historical data).

10. Other assets

	2015	2014
Restricted cash	**4,300**	7,702
Security deposits	**3,820**	6,001
Others	**23**	761
	8,143	14,464

Restricted cash consists of cash held as potential claims collateral pursuant to re-insurance agreements under the Group's insurance program.

11. Trade and other payables

	2015	2014
Trade payables and accrued expenses	**316,426**	327,705
Personnel accrued expenses	**94,707**	95,577
Dividend payable	**16,598**	17,395
	427,731	440,677

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

12. Long-term debt

This note provides information about the contractual terms of the Group's interest-bearing long-term debt, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign exchange currency and liquidity, see note 23.

	2015	2014
Non-current liabilities		
Revolving facility	**801,152**	787,150
Unsecured debentures	**124,334**	124,636
Conditional sales contracts	**34,985**	31,801
Finance lease liabilities	**23,111**	35,252
Other long-term debt	**26,729**	46,493
Term loan	**-**	297,523
	1,010,311	1,322,855
Current liabilities		
Current portion of conditional sales contracts	**24,543**	26,249
Current portion of finance lease liabilities	**15,327**	15,945
Current portion of other long-term debt	**5,784**	3,271
Current portion of the term loan	**559,135**	249,422
	604,789	294,887

Terms and conditions of outstanding long-term debt were as follows:

					2015		2014	
		Currency	Nominal interest rate	Year of maturity	**Face value**	**Carrying amount**	Face value	Carrying amount
Term Loan	a	C$	BA + 2.15%	2016	**300,000**	**299,220**	300,000	298,649
Term Loan	a	US$	Libor + 2.15%	2016	**187,800**	**259,915**	215,000	248,296
Revolving facility	a	C$	BA + 2.15%	2017	**75,519**	**75,519**	29,788	29,788
Revolving facility	a	US$	Libor + 2.15%	2017	**525,461**	**725,633**	654,909	757,362
Unsecured debentures (refinanced)	b	C$	3.45%	2020	**125,000**	**124,334**	-	-
Unsecured debentures	b	C$	6.85%	2017	**-**	**-**	125,000	124,636
Conditional sales contracts	c	Mainly C$	2.12% - 6.29%	2016-2019	**59,528**	**59,528**	58,050	58,050
Finance lease liabilities	d	Mainly C$	1.57% - 8.00%	2016-2020	**38,438**	**38,438**	51,197	51,197
Other long-term debt		C$	3.60% - 4.75%	2016-2018	**32,513**	**32,513**	49,764	49,764
						1,615,100		1,617,742

a) Credit facility

On June 18, 2014, the Group amended and extended its existing revolving facility to August 2017. The facility is unsecured and can be extended annually. The total available amount under the revolving facility was increased by $245 million to $1,045 million. The agreement still provides, under certain conditions, additional $250 million of credit availability (C$245 million and US$5 million). Based on certain ratios, the interest rate will vary between banker's acceptance rate (or Libor rate on US$ denominated debt) plus applicable margin, which can vary between 125 basis points and 275 basis points. As of December 31, 2015, the credit facility's interest rate on CAD denominated debt was 3.0% and on US$ denominated debt was 2.5%. The Group is subject to certain covenants regarding the maintenance of financial ratios and was in compliance with these covenants at year-end (see note 23 (f)).

On September 17, 2014, the Group entered into an agreement with its bank syndicate for a new $550 million unsecured acquisition credit facility (term loan). Subsequent to the reception of the term loan currency swaps were obtained to convert a portion of each term loan from CAD to US$. The swaps are renewed monthly and the US$ portion fluctuates subject to changes in the exchange rates. As at December 31, 2015 the $250 million term loan that matures in February 2016 subsequent to an extension in 2015 (originally due November 2015) consists of $150 million CAD and $75.1 million US$ (2014 - $150 million CAD and $86 million US$) and the $300 million term loan that matures in November 2016 consists of $150 million CAD and $112.7 million US$ (2014 - $150 million CAD and $129 million US$). The terms and conditions are similar to the current credit facility.

As at February 11th, 2016 the entire term loan has been repaid with the proceeds received from the sale of the Waste Management segment.

b) Unsecured debentures

On December 18, 2015, the terms of the loan agreement were amended to an unsecured debenture carrying an interest rate between 3% and 3.45% depending on certain ratios and with a December 2020 maturity date. Prior to the amendment the interest rate was 6.85% and matured in November 2017. The debentures may be repaid, without penalty, after December 18, 2019, subject to the approval of the Group's syndicate of bank lenders.

c) Conditional sales contracts

Conditional sales contracts are secured by rolling stock having a carrying value of $83.3 million (2014 - $84.8 million) (see note 8).

d) Finance lease liabilities

Finance lease liabilities are secured by rolling stock having a carrying value of $ 50.8 million (2014 - $71.4 million) (see note 8). Finance lease liabilities are payable as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Future minimum lease payments	16,757	24,274	-	41,031
Interest	(1,430)	(1,163)	-	(2,593)
Present value of minimum lease payments	15,327	23,111	-	38,438

e) Principal instalments of other long-term debt payable during the subsequent years are as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Term Loan	559,915	-	-	559,915
Revolving facility	-	802,758	-	802,758
Unsecured debentures	-	125,000	-	125,000
Conditional sales contracts	24,543	34,985	-	59,528
Other long-term debt	5,784	26,729	-	32,513
	590,242	989,472	-	1,579,714

13. Employee Benefits

The Group sponsors defined benefit pension plans for 314 of its employees (2014 – 321).

These plans are all within Canada and includes one unregistered plan. All the defined benefit plans are no longer offered to employees and two defined benefits plan in the past have already been converted prospectively to defined contribution plans. Therefore, the future obligation will only vary by actuarial re-measurements.

With the exception of one plan, all other plans do not have recurring contributions for employees. These plans are still required to fund past service costs. The remaining plan is fully funded by the Group.

The Group measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2015 and the next required valuation will be as of December 31, 2016.

Information about the Group's defined benefit pension plans is as follows:

	2015	2014
Accrued benefit obligation	**46,908**	46,620
Fair value of plan assets	**(33,147)**	(32,973)
Plan deficit - employee benefit liability	**13,761**	13,647

Plan assets comprise:

	2015	2014
Equity securities	**32%**	39%
Debt securities	**60%**	53%
Other	**8%**	8%

All equity and debt securities have quoted prices in active markets. Debt securities are held through mutual funds and primarily hold investments with ratings of AAA or AA, based on Moody's ratings.

The other asset categories are real estate investment trusts.

Movement in the present value of the accrued benefit obligation for defined benefit plans:

	2015	2014
Accrued benefit obligation, beginning of year	**46,620**	41,441
Current service cost	**481**	955
Interest cost	**1,775**	1,933
Employee contributions	**8**	126
Benefits paid	**(2,714)**	(1,716)
Past service cost	**-**	(1,320)
Remeasurement loss (gain) arising from:		
- Demographic assumptions	**-**	63
- Financial assumptions	**(13)**	4,922
- Experience	**751**	216
Accrued benefit obligation, end of year	**46,908**	46,620

Movement in the fair value of plan assets for defined benefit plans:

	2015	2014
Fair value of plan assets, beginning of year	**32,973**	28,888
Interest income	**1,262**	1,367
Employer contributions	**1,503**	1,979
Employee contributions	**8**	126
Benefits paid	**(2,714)**	(1,716)
Remeasurement gain arising from financial assumptions	**278**	2,492
Plan administration expenses	**(163)**	(163)
Fair value of plan assets, end of year	**33,147**	32,973

Expense recognized in income or loss:

	2015	2014
Current service cost	**481**	955
Net interest cost	**513**	566
Past service cost	**-**	(1,320)
Plan administration expenses	**163**	163
Pension expense	**1,157**	364
Actual return on plan assets	**1,540**	3,859

Actuarial losses recognized in other comprehensive income:

	2015	2014
Amount accumulated in retained earnings, beginning of year	**10,788**	8,079
Recognized during the year	**460**	2,709
Amount accumulated in retained earnings, end of year	**11,248**	10,788
Recognized during the year, net of tax	**338**	1,993

The significant actuarial assumptions used (expressed as weighted average):

	2015	2014
Accrued benefit obligation:		
Discount rate at December 31	**3.9%**	3.9%
Future salary increases	**2.9%**	2.9%
Employee benefit expense:		
Discount rate at January 1	**3.9%**	4.7%
Rate of return on plan assets at January 1	**3.9%**	4.7%
Future salary increases	**2.9%**	2.9%

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the value of the liabilities in the defined benefit plans are as follows:

	2015	2014
Longevity at age 65 for current pensioners		
Males	**21.6**	21.5
Females	**24.0**	24.0
Longevity at age 65 for current members aged 45		
Males	**22.7**	22.6
Females	**25.0**	25.0

At December 31, 2015 the weighted-average duration of the defined benefit obligation was 13.0 years.

The following table presents the impact of changes of major assumptions on the defined benefit obligation for the years ended:

	2015		2014	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5,207)	6,363	(4,832)	5,957
Life expectancy (1-year movement)	972	(973)	884	(872)

Historical information:

	2015	2014	2013	2012	2011
Present value of the accrued benefit obligation	**46,908**	46,620	41,441	41,847	36,617
Fair value of plan assets	**(33,147)**	(32,973)	(28,888)	(25,087)	(23,346)
Deficit in the plan	**13,761**	13,647	12,553	16,760	13,271
Experience adjustments arising on plan obligations	**738**	5,201	(1,161)	3,460	5,401
Experience adjustments arising on plan assets	**278**	2,492	2,736	273	1,298

The Group expects approximately $1.5 million in contributions to be paid to its defined benefit plans in 2016.

14. Provisions

	Site restoration	Others	Total
Balance at January 1, 2015	26,660	8,636	35,296
Provisions made during the year	2,167	4757	6,924
Provisions used during the year	(2,464)	(2,288)	(4,752)
Provisions reversed during the year	-	(347)	(347)
Revaluation of provisions	(1,259)	-	(1,259)
Unwind of discount	1,401	-	1,401
Transferred to disposal group held for sale	(26,505)	-	(26,505)
Balance at December 31, 2015	-	10,758	10,758
Non-current provisions	-	10,758	10,758

15. Deferred tax assets and liabilities

	2015	2014
Partnership investments	**(9,953)**	(17,747)
Property and equipment	**(140,986)**	(154,972)
Intangible assets	**(117,351)**	(139,354)
Derivative financial instruments and investment in equity securities	**(534)**	1,596
Long-term debt	**10,553**	16,728
Employee benefits	**5,305**	5,342
Provisions	**10,671**	17,157
Tax losses	**14,284**	5,305
Other	**148**	-
Net deferred tax liabilities	**(227,863)**	(265,945)
Presented as:		
Deferred tax assets	**6,960**	5,070
Deferred tax liabilities	**(234,823)**	(271,015)

Movement in temporary differences during the year:

	Balance December 31, 2013	Recognized in income or loss from continuing operations	Recognized in income or loss from discontinued operations	Recognized directly in equity	Acquired in business combinations	Transfer of deferred taxes to disposal group held for sale	**Balance December 31, 2014**
Partnership investments	(20,959)	6,646	-	-	(3,434)	**-**	**(17,747)**
Property and equipment	(71,817)	6,420	7,922	(5,397)	(92,100)	**-**	**(154,972)**
Intangible assets	(61,644)	10,033	393	(4,132)	(84,004)	**-**	**(139,354)**
Long-term debt	(589)	159	2,010	-	15,148	**-**	**16,728**
Employee benefits	4,624	2	-	716	-	**-**	**5,342**
Provisions	12,573	(770)	120	-	5,234	**-**	**17,157**
Tax losses	2,634	(4,387)	-	-	7,058	**-**	**5,305**
Other	(273)	847	-	825	197	**-**	**1,596**
Net deferred tax liabilities	(135,451)	18,950	10,445	(7,988)	(151,901)	**-**	**(265,945)**

	Balance December 31, 2014	Recognized in income or loss from continuing operations	Recognized in income or loss from discontinued operations	Recognized directly in equity	Acquired in business combinations	Transfer of deferred taxes to disposal group held for sale	**Balance December 31, 2015**
Partnership investments	(17,747)	7,794	-	-	-	-	**(9,953)**
Property and equipment	(154,972)	2,887	15,323	(9,944)	36	5,684	**(140,986)**
Intangible assets	(139,354)	6,228	1,070	(9,016)	(814)	24,535	**(117,351)**
Long-term debt	16,728	(4,165)	(292)	-	-	(1,718)	**10,553**
Employee benefits	5,342	(159)	-	122	-	-	**5,305**
Provisions	17,157	(2,234)	884	-	-	(5,136)	**10,671**
Tax losses	5,305	(3,446)	-	12,425	-	-	**14,284**
Other	1,596	(1,981)	-	-	-	(1)	**(386)**
Net deferred tax liabilities	(265,945)	4,924	16,985	(6,413)	(778)	23,364	**(227,863)**

Tax losses expire between 2026 and 2033 and the related deferred tax assets have been recognized because it is probable that future taxable income will be available to benefit from these losses.

16. Share capital and other components of equity

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series. Both common and preferred shares are without par value. All issued shares are fully paid.

The common shares entitle the holders thereof to one vote per share. The holders of the common shares are entitled to receive dividends as declared from time to time. Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the common shares are entitled to receive the remaining property of the Company upon its dissolution, liquidation or winding-up.

The preferred shares may be issued in one or more series, with such rights and conditions as may be determined by resolution of the Directors who shall determine the designation, rights, privileges, conditions and restrictions to be attached to the preferred shares of such series. There are no voting rights attached to the preferred shares except as prescribed by law. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of assets of the Company among its shareholders, the holders of the preferred shares of each series are entitled to receive, with priority over the common shares and any other shares ranking junior to the preferred shares of the Company, an amount equal to the redemption price for such shares, plus an amount equal to any dividends declared thereon but unpaid and not more. The preferred shares for each series are also entitled to such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined as to their respective series authorized to be issued. The preferred shares of each series shall be on a parity basis with the preferred shares of every other series with respect to payment of dividends and return of capital. There are no preferred shares currently issued and outstanding.

The following table summarizes the number of common shares issued:

(in number of shares)	Note	**2015**	2014
Balance, beginning of year		**102,323,968**	93,405,264
Repurchase and cancellation of own shares		**(4,834,300)**	(2,307,000)
Stock options exercised	18	**130,502**	376,066
Warrants exercised		**12,332**	935,000
Conversion of convertible debentures		**-**	9,914,638
Balance, end of year		**97,632,502**	102,323,968

The following table summarizes the share capital issued and fully paid:

	2015	2014
Balance, beginning of year	**799,100**	577,993
Repurchase and cancellation of own shares	**(37,764)**	(16,681)
Cash consideration of stock options exercised	**2,137**	4,328
Ascribed value credited to share capital on stock options exercised	**630**	1,296
Ascribed value credited to share capital on warrants exercised	**240**	5,610
Conversion of convertible debentures	**-**	200,179
Cash consideration of warrants exercised	**-**	18,859
Equity component of convertible debentures credited to share capital on conversion of debentures	**-**	7,516
Balance, end of year	**764,343**	799,100

Pursuant to the renewal of the normal course issuer bid ("NCIB") which began on September 28, 2015 and expiring on September 27, 2016, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. As at December 31, 2015, the Company has repurchased and cancelled 310,000 common shares under this NCIB.

During 2015, the Company repurchased 4,834,300 common shares at a price ranging from $21.93 to $27.92 per share for a total purchase price of $121.8 million relating to the current and previous NCIBs. During 2014, the Company repurchased 2,307,000 common shares at a price ranging from $22.46 to $29.00 per share for a total purchase price of $57.4 million relating to the NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased, in the amount of $84.0 million (2014 - $40.7 million), was charged to retained earnings as share repurchase premium.

During 2015, 40,000 warrants with the exercise price of $20.17 were exercised under the cashless exercise provision resulting in the issuance of 12,332 common shares of the Company (2014 – 935,000 warrants exercised at exercise price of $20.17, cashless exercise provision not applied). The cashless exercise provision of the warrants allows the holder to receive a number of common shares equivalent in value to the difference of the market price of the common shares underlying the number of warrants exercised and the exercise price, in lieu of cash or other consideration. The share price at the date of exercise was $29.16. As at December 31, 2015, there are no outstanding warrants.

September 2018 – $85-million convertible debentures

On September 7, 2011 the Company issued convertible debentures which bear interest at a rate of 5.65% per annum, payable semi-annually on March 31 and September 30 each year. The convertible debentures were convertible at the holder's option into the Company's common shares at a conversion price of $22.10 per share, representing a conversion rate of 45.2489 common shares per $1,000 principal amount of convertible debentures. During 2014, a principal amount of $0.4 million (2013 – nil) of the outstanding 5.65% convertible debentures had been converted into 19,092 common shares. The equity portion of the converted debentures was reclassified to share capital.

On September 9, 2014, the Company announced that it will redeem, as of October 9, 2014, all of the remaining aggregate principal amount of $84.4 million of its outstanding 5.65% convertible debentures. Following the announcement, the Company revalued these debentures at fair value. This resulted in accelerated accretion expense totaling $4.0 million which is presented in finance costs in the consolidated statements of comprehensive income. Pursuant to the conversion option available to debenture holders, the Company received conversion requests for a principal amount of $81.6 million resulting in the issuance of 3,692,572 new common shares. The equity portion of the converted debentures of $2.1 million was reclassified to share capital. The Company redeemed an unconverted principal amount of $2.7 million as at October 9, 2014 repayment of which is presented in repayment of long-term debt in the consolidated statements of cash flows. The equity component of the repurchased debentures amounting to $0.1 million was reclassified to retained earnings.

November 2015 – $143.8-million convertible debentures

On November 19, 2010 the Company issued convertible debentures which bear interest at a rate of 6.00% per annum, payable semi-annually on May 31 and November 30 each year. The convertible debentures were convertible at the holder's option into the Company's common shares at a conversion price of $19.05 per share, representing a conversion rate of 52.4934 common shares per $1,000 principal amount of convertible debentures.

On January 3, 2014, the Company announced that it will redeem, as of February 3, 2014, all of the remaining aggregate principal amount of $122.1 million of its outstanding 6% convertible debentures. Following the announcement, the Company revalued these debentures at fair value. This resulted in accelerated accretion expense totaling $5.5 million which is presented in finance costs in the consolidated statements of comprehensive income. Pursuant to the conversion option available to debenture holders, the Company received conversion requests for a principal amount of $118.2 million resulting in the issuance of 6,202,974 new common shares. The equity portion of the converted debentures amounting to $5.4 million was reclassified to share capital. The Company redeemed an unconverted principal amount of $3.9 million as at February 3, 2014, repayment of which is presented in repayment of long-term debt in the consolidated statements of cash flows. The equity component of the repurchased debentures amounting to $0.2 million was reclassified to retained earnings. In 2013, a principal amount of $21.2 million had been converted into 1,114,955 common shares. The equity portion of the converted debentures amounting to $1.0 million was reclassified to share capital.

Contributed surplus

The contributed surplus account is used to record amounts arising on the issue of equity-settled share-based payment awards (see note 18) and the value of the warrants issued.

Accumulated other comprehensive income ("AOCI")

At December 31, 2015 and 2014, AOCI is comprised of accumulated foreign currency translation differences arising from the translation of the financial statements of foreign operations, changes in fair value of available for sale financial assets, gain or loss on net investment hedge and defined benefit plan remeasurement gain or loss.

Dividends

In 2015, the Company declared dividends amounting to 68.0 cents per common share (2014 – 60.5 cents) for a total of $67.8 million (2014 - $60.4 million). After December 31, 2015 no dividends were declared by the Board of Directors.

17. Earnings per share

Basic earnings per share

The basic earnings per share and the weighted average number of common shares outstanding have been calculated as follows:

(in thousands of dollars and number of shares)	**2015**	2014*
Income attributable to owners of the Company	**163,437**	127,918
Income from continuing operations attributable to the owners of the company	**145,732**	116,229
Issued common shares, beginning of period	**102,323,968**	93,405,264
Effect of stock options and warrants exercised	**100,982**	476,407
Effect of repurchase of own shares	**(2,218,888)**	(1,265,200)
Effect of converted debentures	**-**	6,820,913
Weighted average number of common shares	**100,206,062**	99,437,384
Earnings per share – basic	**1.63**	1.29
Earnings per share from continuing operations – basic	**1.45**	1.17

(*) Restated (see note 6)

Diluted earnings per share

The diluted earnings per share and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares have been calculated as follows:

(in thousands of dollars and number of shares)	**2015**	2014*
Income attributable to owners of the Company	**163,437**	127,918
Dilutive effect	**-**	-
Income attributable to owners of the Company, adjusted for dilution effect	**163,437**	127,918
Income from continuing operations attributable to the owners of the company adjusted for dilution effect	**145,732**	116,229
Weighted average number of common shares	**100,206,062**	99,437,384
Dilutive effect:		
Stock options, restricted share units and warrants	**1,787,827**	1,928,514
Weighted average number of diluted common shares	**101,993,889**	101,365,898
Earnings per share - diluted	**1.60**	1.26
Earnings per share from continuing operations - diluted	**1.43**	1.15

(*) Restated (see note 6)

As at December 31, 2015, 1,383,814 stock options were excluded from the calculation of diluted earnings per share as these options were deemed to be anti-dilutive (2014 – 479,062).

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options was based on quoted market prices for the period during which the options were outstanding.

18. Share-based payment arrangements

Stock option plan

The Company offers a stock option plan for the benefit of certain of its employees. The maximum number of shares which may be issued under this plan may not exceed ten percent (10%) of the number of issued and outstanding shares of the Company from time to time. Each stock option entitles its holder to receive one common share upon exercise. The exercise price payable for each option is determined by the Board of Directors at the date of grant, and may not be less than the closing price of volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the grant date. The options vest in equal instalments over three years and the expense is recognized following the accelerated method as each instalment is fair valued separately. The table below summarizes the changes in the outstanding stock options:

(in thousands of options and in dollars)	**2015**		2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of year	**4,193**	**14.93**	4,229	13.57
Granted	**915**	**24.93**	479	25.14
Exercised	**(131)**	**16.37**	(376)	11.51
Forfeited	**(43)**	**23.21**	(139)	18.14
Balance, end of year	**4,934**	**16.67**	4,193	14.93
Options exercisable, end of year	**3,451**	**13.48**	2,842	11.99

The following table summarizes information about stock options outstanding and exercisable at December 31, 2015:

(in thousands of options and in dollars)	Options outstanding		Options exercisable
Exercise prices	Number of options	Weighted average remaining contractual life (in years)	Number of options
6.32	749	3.6	749
9.46	662	4.6	662
14.28	588	2.6	588
16.46	793	3.6	793
20.18	780	4.6	507
24.93	908	6.6	-
25.14	454	5.6	152
	4,934	4.5	3,451

Of the options outstanding at December 31, 2015, a total of 4,020,595 (December 31, 2014 – 3,406,944) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in 2015 was $28.67 (2014 – $25.79).

In 2015, the Group recognized a compensation expense of $3.1 million (2014 – $3.7 million) with a corresponding increase to contributed surplus.

On July 23, 2015, the Board of Directors approved the grant of 915,485 stock options under the Company's stock option plan of which 613,651 were granted to key management personnel. The options vest in equal instalments over three years and have a life of seven years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	July 23, 2015	July 24, 2014
Average expected option life	4.5 years	4.5 years
Risk-free interest rate	0.73%	1.69%
Expected stock price volatility	24.85%	26.88%
Average dividend yield	2.68%	2.36%
Weighted average fair value of options granted	$3.86	$4.78

Deferred share unit plan for board members

The Company offers a deferred share unit plan ("DSU") for its board members. Under this plan, board members may elect to receive cash, deferred share units or a combination of both for their compensation. The following table provides the number of units related to this plan:

(in units)	**2015**	2014
Balance, beginning of year	**217,557**	188,690
Board members compensation	**37,286**	24,208
Deferred share units redeemed	**(5,436)**	-
Dividends paid in units	**5,646**	4,659
Balance, end of year	**255,053**	217,557

In 2015, the Group recognized, as a result of deferred share units, a compensation expense of $1.0 million (2014 - $0.6 million) with a corresponding increase to trade and other payables.

As at December 31, 2015, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to $6.0 million (December 31, 2014 - $6.5 million).

Performance contingent restricted share unit plan

The Company offers an equity incentive plan to the benefits of senior employees of the Group. The plan provides for the issuance of restricted share units (''RSUs'') under conditions to be determined by the Board of Directors. The RSUs vest after 3 consecutive years of service from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

On July 23, 2015, the Company granted a total of 144,299 RSUs under the Company equity incentive plan. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSUs granted during the period was $24.93 per unit.

The table below summarizes changes to the outstanding RSUs:

(in thousands of RSUs and in dollars)	**2015**		2014	
	Number of RSUs	**Weighted average exercise price**	Number of RSUs	Weighted average exercise price
Balance, beginning of year	**83**	**25.14**	-	-
Granted	**144**	**24.93**	82	25.14
Reinvested	**3**	**25.07**	1	25.14
Exercised	**(1)**	**25.12**	-	-
Forfeited	**(5)**	**25.10**	-	-
Balance, end of year	**224**	**25.01**	83	25.14

The following table summarizes information about RSUs outstanding and exercisable at December 31, 2015:

(in thousands of RSUs and in dollars)	RSUs outstanding	RSUs exercisable
	Number of	Remaining contractual life
Exercise prices	RSUs	(in years)
24.93	144	2.5
25.14	80	1.5
	224	

In 2015, the Group recognized as a result of RSUs a compensation expense of $1.3 million (2014 - $0.3 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at December 31, 2015, a total of 153,207 (December 31, 2014 – 55,861) are held by key management personnel.

19. Operating expenses

The Group's operating expenses include: a) materials and services expenses, which are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, which primarily include fuel, repairs and maintenance, insurance, permits and operating supplies; b) personnel expenses; c) other operating expenses, which are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses; and d) depreciation, amortization and gain or loss on disposition of property and equipment and assets held for sale.

	2015	2014*
Materials and services expenses		
Independent contractors	**1,778,393**	1,579,774
Vehicle operation expenses	**607,578**	480,415
	2,385,971	2,060,189
Personnel expenses	**978,458**	789,475
Other operating expenses	**240,234**	216,624
Depreciation of property and equipment	**129,096**	86,035
Amortization of intangible assets	**47,130**	35,678
Gain on sale of property and equipment	**(23,565)**	(19,134)
Gain on sale of assets held for sale	**(3,896)**	-
Gain on sale of business	**-**	(1,403)
	3,753,428	3,167,464

(*) Restated (See note 6)

Operating expenses increases are mostly attributable to business combinations.

20. Personnel expenses

	Note	**2015**	2014*
Short-term employee benefits		**950,615**	767,709
Contributions to defined contribution plans		**12,337**	12,073
Current and past services costs related to defined benefit plans	13	**481**	(365)
Termination benefits		**9,725**	5,425
Equity-settled share-based payment transactions	18	**4,356**	4,006
Cash-settled share-based payment transactions	18	**944**	627
		978,458	789,475

(*) Restated (See note 6)

21. Finance income and finance costs

Recognized in income or loss:

(Income) costs	**2015**	2014*
Interest expense on long-term debt	**60,036**	44,854
Net foreign exchange (gain) loss	**(1,145)**	3,285
Net change in fair value of foreign exchange derivatives	**7,194**	1,804
Net change in fair value of interest rate derivatives	**5,694**	3,256
Other financial expenses	**4,675**	8,245
Gain on sale of investment in equity securities	**(749)**	(524)
Accelerated accretion expense on conversion of debenture	**-**	9,541
Reclassification to income of accumulated unrealized gain on investment in equity securities	**-**	(6,245)
Net finance costs	**75,705**	64,216
Presented as:		
Finance income	**(1,894)**	(6,769)
Finance costs	**77,599**	70,985

(*) Restated (see note 6)

22. Income tax expense

Income tax recognized in income or loss:

	2015	2014*
Current tax expense		
Current year	**66,434**	64,738
Adjustment for prior years	**(6,486)**	1,376
	59,948	66,114
Deferred tax expense		
Origination and reversal of temporary differences	**(14,290)**	(19,983)
Variation in tax rate	**1,349**	(376)
Adjustment for prior years	**8,017**	1,409
	(4,924)	(18,950)
Income tax expense from continuing operations	**55,024**	47,164

(*)Restated (see note 6)

Income tax recognized in other comprehensive income:

	2015			2014		
	Before tax	**Tax benefit**	**Net of tax**	Before Tax	Tax benefit	Net of tax
Foreign currency translation differences	**116,881**	**-**	**116,881**	46,996	-	46,996
Reclassification to income of accumulated unrealized gain on investment in equity securities	**-**	**-**	**-**	(6,245)	(825)	(5,420)
Defined benefit plan remeasurement loss	**(460)**	**(122)**	**(338)**	(2,709)	(716)	(1,993)
Loss on net investment hedge	**(114,180)**	**(15,192)**	**(98,988)**	(44,311)	(5,858)	(38,453)
	2,241	**(15,314)**	**17,555**	(6,269)	(7,399)	1,130

Reconciliation of effective tax rate:

		2015		2014*	
Income before income tax			**200,756**		163,394
Income tax using the Company's statutory tax rate	**26.9%**	**54,004**	26.9%	43,953
Increase (decrease) resulting from:					
Rate differential between jurisdictions	**(3.1%)**	**(6,302)**	(1.5%)	(2,484)
Variation in tax rate	**0.7%**	**1,410**	(0.2%)	(376)
Non-deductible expenses	**2.2%**	**4,459**	3.6%	5,851
Tax exempt income	**(1.3%)**	**(2,653)**	(2.8%)	(4,610)
Adjustment for prior years	**0.8%**	**1,531**	1.7%	2,785
Others	**1.3%**	**2,575**	1.3%	2,045
	27.5%	**55,024**	29.0%	47,164

(*) Restated (see note 6)

23. Financial instruments and financial risk management

Derivative financial instruments' fair values were as follows:

	Note	**2015**	2014
Current assets			
Cross currency interest rate swap contracts	d	**11,375**	-
Interest rate derivatives	e	**-**	174
Non-current assets			
Interest rate derivatives	e	**-**	347
Current Liabilities			
Foreign exchange derivatives	d	**230**	1,675
Contracts denominated in foreign currencies	d	**700**	-
Cross currency interest rate swap contracts	d	**-**	753
Interest rate derivatives	e	**2,133**	912
		3,063	3,340
Non-current liabilities			
Foreign exchange derivatives	d	**-**	53
Contracts denominated in foreign currencies	d	**2,427**	-
Interest rate derivatives	e	**7,152**	3,201
		9,579	3,254

Risks

In the normal course of its operations and through its financial assets and liabilities, the Group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives and processes for managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Group's management identifies and analyzes the risks faced by the Group, sets appropriate risk limits and controls, and monitors risks and adherence to limits. Risk management is reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility of the Group's risk management framework. The Board of Directors monitors the Group's risks through its audit committee. The audit committee reports regularly to the Board of Directors on its activities.

The Group's audit committee oversees how management monitors and manages the Group's risks and is assisted in its oversight role by the Group's internal audit. Internal audit undertakes both regular and ad hoc reviews of risk, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's trade receivables. The Group grants credit to its customers in the ordinary course of business. Management believes that the credit risk of trade receivables is limited due to the following reasons:

- There is a broad base of customers with dispersion across different market segments;
- No single customer accounts for more than 10% of the Group's revenue;
- Approximately 93.6% (2014 – 93.3%) of the Group's trade receivables are not past due or 30 days or less past due;
- Bad debt expense has been approximately 0.1% (2014 – 0.1%) of consolidated revenues for the last 3 years.

Exposure to credit risk

The Group's maximum credit exposure corresponds to the carrying amount of the financial assets. The maximum exposure to credit risk at the reporting date was:

	2015	2014
Trade and other receivables	**507,872**	598,277
Derivative financial assets	**11,375**	521
	519,247	598,798

Impairment losses

The aging of trade and other receivables at the reporting date was:

	Total 2015	**Impairment 2015**	Total 2014	Impairment 2014
Not past due	**380,570**	**-**	457,482	-
Past due 1 – 30 days	**95,687**	**1,028**	102,087	1,190
Past due 31 – 60 days	**15,753**	**3,083**	31,667	3,570
Past due more than 60 days	**26,139**	**6,166**	18,940	7,139
	518,149	**10,277**	610,176	11,899

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2015	2014
Balance, beginning of year	**11,899**	6,103
Business combinations	**-**	7,140
Bad debt expenses	**2,116**	3,277
Amount written off and recoveries	**(2,619)**	(4,621)
Reclassed to disposal group held for sale	**(1,119)**	-
Balance, end of year	**10,277**	11,899

The impaired trade receivables are mostly due from customers that are experiencing financial difficulties. Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of past due trade receivables.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash inflows and cash outflows requirements from Group's entities are monitored closely and separately to ensure the Group optimizes its cash return on investment. Typically, the Group ensures that it has sufficient cash to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The Group monitors its short and medium-term liquidity needs on an ongoing basis using forecasting tools. In addition, the Group maintains a revolving facility, which has $229.4 million availability at December 31, 2015 (2014 - $228.0 million) and has an additional $250 million credit available (C$245 million and US$5 million) under certain conditions under its syndicated bank agreement (2014 – $250 million, C$245 million and US$5 million).

The following are the contractual maturities of the financial liabilities, including estimated interest payment:

	Carrying amount	Contractual Cash-flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2015						
Bank indebtedness	**19,112**	**19,112**	**19,112**	**-**	**-**	**-**
Trade and other payables	**427,731**	**427,731**	**427,731**	**-**	**-**	**-**
Current tax payable	**13,630**	**13,630**	**13,630**	**-**	**-**	**-**
Long-term debt	**1,615,100**	**1,690,892**	**641,953**	**854,003**	**194,936**	**-**
Derivatives financial liabilities	**12,642**	**12,642**	**3,063**	**4,258**	**4,727**	**594**
Other financial liability	**2,941**	**2,941**	**-**	**-**	**2,941**	**-**
	2,091,156	**2,166,948**	**1,105,489**	**858,261**	**202,604**	**594**
December 31, 2014						
Bank indebtedness	22,288	22,288	22,288	-	-	-
Trade and other payables	440,677	440,677	440,677	-	-	-
Current tax Payable	1,917	1,917	1,917	-	-	-
Long-term debt	1,617,742	1,758,425	359,573	387,926	1,004,309	6,617
Derivatives financial liabilities	6,594	6,594	3,340	3,254	-	-
	2,089,218	2,229,901	827,795	391,180	1,004,309	6,617

It is not expected that the contractual cash flows could occur significantly earlier, or at significantly different amounts.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group's management and it does not use derivatives for speculative purposes.

d) Currency risk

The Group is exposed to currency risk on financial assets and liabilities, sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Primarily the Canadian entities are exposed to U.S. dollars and entities having a functional currency other than the Canadian dollars (foreign operations) are not significantly exposed to currency risk. The Group mitigates and manages its future US$ cash flow by creating offsetting positions through the use of derivatives. These instruments include foreign exchange contracts and currency option instruments, which are commitments to buy or sell at a future date, and may be settled in cash.

The Group mitigates its financial net liabilities exposure to foreign currency risk related to Canadian entities by holding monthly cross currency interest rate swap contracts, which swaps U.S. dollar principal into Canadian dollars. These instruments were recorded into the consolidated statement of financial position at their fair value which has a current asset of $11.4 million at December 31, 2015 (2014 – liability of $0.8 million). Also, effective July 3, 2014, the Group designated a portion of its U.S. dollar denominated debt as a hedging item in a net investment hedge.

The Group's financial assets and liabilities exposure to foreign currency risk related to Canadian entities was as follows based on notional amounts:

(in thousands of U.S. dollars)	**2015**	2014
Trade and other receivables	**38,991**	38,099
Trade and other payables	**(4,768)**	(1,926)
Long-term debt	**(704,995)**	(847,197)
Balance sheet exposure	**(670,772)**	(811,024)
Cross currency interest rate swap contracts	**217,800**	258,000
Long-term debt designated as investment hedge	**466,000**	537,000
Net balance sheet exposure	**13,028**	(16,024)

The Group estimates its annual net US$ denominated cash flow at approximately $260 million (2014 - $220 million). This cash flow is earned evenly throughout the year.

The following exchange rates applied during the year:

	2015	2014
Average US$ for the year ended December 31	**1.2785**	1.1038
Closing US$ as at December 31	**1.3840**	1.1601

The Group's foreign exchange derivatives are as follows:

	Exchange rate	Maturity	Notional contract amount US$	Fair value CDN$
December 31, 2015				
Sell contracts and currency options (US$ for CDN$):				
Foreign exchange contracts	**1.04 - 1.13**	**Less than 1 year**	**500**	**(230)**
Cross currency interest rate swap contracts	**1.332**	**Less than 1 year**	**217,800**	**11,375**
Assets (liabilities)				**11,145**
December 31, 2014				
Sell contracts and currency options (US$ for CDN$):				
Foreign exchange contracts and currency option instruments	1.02 - 1.12	Less than 1 year	16,700	(1,675)
Foreign exchange contracts	1.04 -1.11	1 to 2 years	400	(53)
Cross currency interest rate swap contracts	1.163	Less than 1 year	258,000	(753)
Assets (liabilities)				(2,481)

The fair value of foreign exchange forward and currency option contracts has been determined using rates published by the financial institution which is counterparty to these.

Sensitivity analysis

A 1-cent increase in the U.S. dollar at the reporting date, assuming all other variables, in particular interest rates, remain constant, would have increased (decreased) equity and income or loss by the amounts shown below. The analysis is performed on the same basis for 2014.

	2015		2014	
	1-cent Increase	**1-cent Decrease**	1-cent Increase	1-cent Decrease
Balance sheet exposure	**(4,846)**	**4,846**	(5,929)	5,929
Cross currency interest rate swap contracts	**1,577**	**(1,577)**	1,886	(1,886)
Long-term debt designated as investment hedge	**3,367**	**(3,367)**	3,925	(3,925)
Net balance sheet exposure	**98**	**(98)**	(118)	118

Net impact on change in fair value of foreign exchange derivatives is not significant.

e) Interest rate risk

The Group's intention is to minimize its exposure to changes in interest rates by maintaining a significant portion of fixed-rate interest-bearing long-term debt. This is achieved by entering into interest rate swaps.

At December 31, 2015 and 2014, the interest rate profile of the Group's carrying amount interest-bearing financial instruments was:

	2015	2014
Fixed rate instruments	**251,163**	269,130
Variable rate instruments	**1,363,937**	1,348,612
	1,615,100	1,617,742

The Group's interest rate derivatives are as follows:

	2015			2014		
	Average Libor rate	**Notional Contract Amount USD$**	**Fair value CDN$**	Average Libor rate	Notional Contract Amount USD$	Fair value CDN$
Coverage period:						
Less than 1 year	**1.58%**	**475,000**	**(2,133)**	1.33%	325,000	(738)
1 to 2 years	**1.85%**	**350,000**	**(1,831)**	1.33%	325,000	(738)
2 to 3 years	**1.92%**	**325,000**	**(1,794)**	1.43%	275,000	(649)
3 to 4 years	**1.92%**	**325,000**	**(1,794)**	2.15%	125,000	(587)
4 to 5 years	**1.89%**	**237,500**	**(1,139)**	2.15%	125,000	(587)
5 to 6 years	**1.92%**	**100,000**	**(382)**	2.15%	62,500	(293)
6 to 7 years	**1.92%**	**75,000**	**(212)**			
Liabilities			**(9,285)**			(3,592)
Presented as:						
Current assets			**-**			174
Non-current assets			**-**			347
Current liabilities			**(2,133)**			(912)
Non-current liabilities			**(7,152)**			(3,201)

The fair value of the interest rate swaps has been determined using rates published on financial capital markets.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through income or loss. Therefore a change in interest rates at the reporting date would not affect income or loss.

Cash flow sensitivity analysis for variable rate instruments

A 1% change in interest rates at the reporting date would have increased (decreased) equity and net income or net loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	2015		2014	
	1% increase	**1% decrease**	1% increase	1% decrease
Interest on variable rate instrument	**(9,970)**	**9,970**	(9,858)	9,858
Interest on interest rate swaps	**4,806**	**(4,806)**	2,787	(2,787)
	(5,164)	**5,164**	(7,071)	7,071

Net impact on change in fair value of interest rate swaps is not significant.

f) Capital management

For the purposes of capital management, capital consists of share capital and retained earnings of the Group. The Group's objectives when managing capital are:

- To ensure proper capital investment in order to provide stability and competitiveness to its operations;
- To ensure sufficient liquidity to pursue its growth strategy and undertake selective acquisitions;
- To maintain an appropriate debt level so that there are no financial constraints on the use of capital; and
- To maintain investors, creditors and market confidence.

The Group seeks to maintain a balance between the highest returns that might be possible with higher level of borrowings and the advantages and security by a sound capital position.

The Group monitors its long-term debt using the ratios below to maintain an appropriate debt level. The Group’s debt-to-equity and debt-to-capitalization ratios are as follows:

	2015	2014
Long-term debt	**1,615,100**	1,617,742
Shareholders' equity	**1,027,372**	1,029,413
Debt-to-equity ratio	**1.57**	1.57
Debt-to-capital ratio	**0.61**	0.61

There were no changes in the Group’s approach to capital management during the year.

The Group’s credit facility agreement requires monitoring two ratios on a quarterly basis. The first is a ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income taxes, depreciation and amortization (“EBITDA”). The second is a ratio of adjusted earnings before interest, income taxes, depreciation and amortization and rent expense (“EBITDAR”), and, including last twelve months adjusted EBITDAR from acquisitions to interest and net rent expenses. These ratios are measured on a consolidated last twelve-month basis and must be kept below a certain threshold so as not to breach a covenant in the Group’s syndicated bank. At December 31, 2015 and December 31, 2014, the Group was in compliance with its financial covenants.

The Group has sufficient liquidity to continue both its operations as well as its acquisition strategy.

Upon maturity of the Group’s long-term debt, the Group’s management and its Board of Directors will assess if the long-term debt should be renewed at its original value, increased or decreased based on the then required capital need, credit availability and future interest rates.

g) Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2015		2014	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Assets carried at fair value				
Derivative financial instruments	**11,375**	**11,375**	521	521
Assets carried at amortized cost				
Trade and other receivables	**507,872**	**507,872**	598,277	598,277
	519,247	**519,247**	598,798	598,798
Financial liabilities				
Liabilities carried at fair value				
Derivative financial instruments	**12,642**	**12,642**	6,594	6,594
Other financial liability	**2,941**	**2,941**	-	-
Liabilities carried at amortized cost				
Bank indebtedness	**19,112**	**19,112**	22,288	22,288
Trade and other payables	**427,731**	**427,731**	440,677	440,677
Current taxes payable	**13,630**	**13,630**	1,917	1,917
Long-term debt	**1,615,100**	**1,619,805**	1,617,742	1,642,031
	2,091,156	**2,095,861**	2,089,218	2,113,507

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at December 31 plus an adequate credit spread, and were as follows:

	2015	2014
Long-term debt	**2.6%**	2.8%

Fair value hierarchy

Group's financial assets and liabilities recorded at fair value on a recurring basis are investment in equity securities and the derivative financial instruments discussed above. Investment in equity securities are measured using level-1 inputs of the fair value hierarchy and derivative financials instruments are measured using level-2 inputs.

The forward purchase agreement liability is valued at the fair value using level 3 inputs in the fair value hierarchy. The fair value represents the present value of the exercise price of the forward and is measured by applying the income approach using the probability-weighted expected payment of the exit price and is based on discounted cash flows. Unobservable inputs within the fair value measurement include the exit price and the expected payment date for the written put options. The exit price is based on a formulaic variable price which is mainly a function of earnings levels in future periods and requires assumptions about revenue growth rates and operating margins and the expected payment date of the exit price. If the future earnings levels in the future periods would increase (decrease), the estimated fair value of forward purchase agreement liability would increase (decrease).

24. Operating leases, commitments, contingencies and letters of credit

a) Operating leases

The Group entered into operating leases expiring on various dates through March 2035, with respect to rolling stock, real estate and other. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
Less than 1 year	**116,952**	110,972
Between 1 and 5 years	**237,951**	227,410
More than 5 years	**124,824**	147,790
	479,727	486,172

In 2015, an amount of $126.6 million was recognized as expenses in income or loss in respect of operating leases (2014 – $101.6 million).

b) Commitments

According to agreements expiring at various dates through 2044, the Group has to dispose of a minimum number of tons at third party disposal facilities. Under these put-or-pay agreements, there is a requirement to pay a certain amount for the agreed upon minimum volumes regardless of the actual number of tons placed at the facilities. The Group generally fulfills minimum contractual obligations by disposing of volumes collected in the ordinary course of business at these disposal facilities. As at December 31, 2015, the estimated minimum obligations for the above-described purchase commitments, which are not recognized in the consolidated statements of financial position, were $6.7 million due in less than a year, $ 29.0 million between one and five years and $56.5 million thereafter. These commitments relate specifically to the Waste Management segment and will be transferred to the purchasers as part of the disposal of the Waste Management segment.

c) Contingencies

There are pending claims against the Group and, in the opinion of management, these claims are adequately provided for and settlement should not have a significant impact on the Group's financial position or results of operations.

d) Letters of credit

As at December 31, 2015, the Group had $32.6 million of outstanding letters of credit (2014 - $37.0 million).

25. Related parties

Parent and ultimate controlling party

There is no single ultimate controlling party. The shares of the Company are widely held.

Transactions with key management personnel

Board members of the Company, executive officers and top managers of major Group's entities are deemed to be key management personnel. There is no transaction with key management personnel other than their respective compensation.

Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to board members and executive officers.

Executive officers also participate in the Company's stock option program and board members are entitled to deferred share units, as described in note 18. Costs incurred for key management personnel in relation to these plans are detailed below.

Key management personnel compensation comprised:

	2015	2014
Short-term benefits	**9,322**	9,136
Post-employment benefits	**674**	610
Equity-settled share-based payment transactions	**2,975**	2,823
Cash-settled share-based payment transactions	**941**	627
	13,912	13,196

26. Subsequent events

On February 1, 2016 the Group sold the Waste Management Segment to GFL Environmental Inc. for $800 million, of which $25 million was in the form of an unsecured promissory note bearing 3% per annum payable on February 1, 2020. The final working capital adjustment remains outstanding.

The Group has estimated that a pre-tax gain of approximately $550 million will be recognized for this sale.

The funds received from the sale of the Waste Management Segment were used, in part, to repay the term loans due in February and November 2016.