Consolidated Financial Statements

INSCAPE CORPORATION

For the Years Ended

April 30, 2022 and 2021

Independent Auditor's Report

To the Shareholders and the Board of Directors of
Inscape Corporation

Opinion
We have audited the consolidated financial statements of Inscape Corporation (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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

Key Audit Matter
A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended April 30, 2022. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment of long-lived financial assets – Refer to Note 2 to the consolidated financial statements
Key Audit Matter Description

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indicators that those assets might be impaired. If such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is estimated based on the cash-generating unit ("CGU") to which the asset belongs. Indicators of impairment were identified for the Furniture CGU. The recoverable amount was determined using the present value of the estimated future cash flows associated with the Furniture CGU. This required management to make significant judgments and assumptions related to the forecasted revenues and the discount rate. The recoverable amount of the Furniture CGU exceeded its carrying value and no impairment loss was recognized.

Given the significant judgments made by management to estimate the recoverable amount of the Furniture CGU, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to the forecasted revenues and the discount rate required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter was Addressed in the Audit

Our audit procedures related to the forecasted revenues and the discount rate used by management to estimate the recoverable amount of the Furniture CGU included the following, among others:

- Evaluated management's ability to accurately forecast revenues by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's forecasted revenues by comparing the forecast to:
    - Historical revenue levels and growth rates previously achieved by the Company
    - Internal communications to management and the Board of Directors
    - Forecasted information included in industry reports for the Company and certain of its peer companies.
- With the assistance of our fair value specialists, evaluated the reasonableness of the discount rate by testing the source information underlying the determination of the discount rate and developing a range of independent estimates and comparing those to the discount rate selected by management.

Other Information
Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
July 14, 2022

INSCAPE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended April 30,
(in thousands of Canadian dollars)

	Note	2022	2021
SALES	21.1	**$ 38,741**	$ 38,203
COST OF GOODS SOLD	21	**32,734**	31,269
GROSS PROFIT		**6,007**	6,934
EXPENSES			
Selling, general and administrative	21	**20,857**	20,536
Gain on foreign exchange		**(20)**	(377)
Other income	23	**(1,979)**	(5,308)
Loss (gain) on derivatives	10.2	**713**	(3,997)
Gain on disposal of property, plant and equipment	6.1	**(14,609)**	(209)
Interest expense		**1,811**	6
		6,773	10,651
Loss before taxes		**(766)**	(3,717)
Income tax expense (recovery)	15.1	**73**	(2,826)
NET LOSS		**$ (839)**	$ (891)
Net Loss per share available to shareholders			
Basic	19	**$ (0.06)**	$ (0.06)
Diluted		**$ (0.06)**	$ (0.06)

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

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended April 30,

(in thousands of Canadian dollars)

	Note	2022	2021
NET LOSS		**$ (839)**	$ (891)
OTHER COMPREHENSIVE INCOME			
Items that may not be reclassified to earnings			
Remeasurement of defined benefit pension liabilities	14.2	**1,539**	6,466
Tax relating to remeasurement of retirement benefit obligations	15.2	**(446)**	(275)
Items that may be reclassified to earnings			
Exchange gain (loss) on translating foreign operations		**86**	(141)
Other comprehensive income		**1,179**	6,050
TOTAL COMPREHENSIVE INCOME		**$ 340**	$ 5,159

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

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at April 30,

(in thousands of Canadian dollars)

	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	2	**$ 8,284**	$ 3,736
Restricted cash	2	**3,200**	2,764
Trade and other receivables	4	**11,778**	5,887
Inventories	5	**4,926**	3,497
Note receivable	11	**40**	36
Assets held for sale	6	**-**	5,241
Prepaid expenses and other assets		**469**	543
Derivative financial assets	10.2	**-**	587
		28,697	22,291
Non-current assets			
Property, plant and equipment	6	**5,660**	5,479
Intangible assets	7	**826**	1,287
Right-of-use assets	8.1	**13,579**	10,050
Other assets	9	**2,700**	-
Derivative financial assets	10.2	**-**	19
Note receivable	11	**237**	266
Retirement benefit assets	14.2	**1,350**	-
Deferred tax assets	15.2	**2,581**	2,580
		26,933	19,681
TOTAL ASSETS		**$ 55,630**	$ 41,972
LIABILITIES			
Current liabilities			
Trade and other payables	12	**$ 10,794**	$ 8,044
Lease liabilities	8.2	**2,158**	717
Derivative financial liabilities	10.2	**107**	-
Revolving credit facility	22	**-**	7,858
Forgivable government loan	23	**-**	219
Income taxes payable		**521**	-
Provisions	13	**80**	226
		13,660	17,064
Non-current liabilities			
Retirement benefit obligation	14.2	**654**	1,083
Lease liabilities	8.2	**26,653**	9,342
Provisions	13	**322**	483
Other long-term obligations	16	**165**	164
		27,794	11,072
TOTAL LIABILITIES		**41,454**	28,136
SHAREHOLDERS' EQUITY			
Shareholders' capital	17	**52,868**	52,868
Contributed surplus		**2,675**	2,675
Accumulated other comprehensive income (loss)		**3,641**	2,462
Deficit		**(45,008)**	(44,169)
TOTAL SHAREHOLDERS' EQUITY		**14,176**	13,836
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 55,630**	$ 41,972

Approved by the Board of Directors,

(signed) *(signed)*

Bartley Bull
Chair

Eric Ehgoetz
Director & Chief Executive Officer

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

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY

(in thousands of Canadian dollars)

	Shareholders’ Capital	**Contributed Surplus**	**Cumulative Remeasurement of Retirement Benefit Obligation**	**Cumulative Translation Gain (loss)**	**Deficit**	**Total Shareholders' Equity**
Balance, April 30, 2020	$ 52,868	$ 2,675	$ (4,984)	$ 1,396	$ (43,278)	$ 8,677
Net loss	-	-	-	-	(891)	(891)
Other comprehensive income (loss)	-	-	6,191	(141)	-	6,050
Balance, April 30, 2021	**$ 52,868**	**$ 2,675**	**$ 1,207**	**$ 1,255**	**$ (44,169)**	**$ 13,836**
Net loss	-	-	-	-	(839)	**(839)**
Other comprehensive income	-	-	1,093	86	-	**1,179**
Balance, April 30, 2022	**$ 52,868**	**$ 2,675**	**$ 2,300**	**$ 1,341**	**$ (45,008)**	**$ 14,176**

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

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended April 30,

(in thousands of Canadian dollars)

	Note	2022	2021
Net inflow (outflow) of cash related to the following activities:			
OPERATING			
Net loss		**$ (839)**	$ (891)
Items not affecting cash			
Amortization and depreciation	6,7 & 8.1	**2,863**	3,935
Deferred income tax recovery	15.2	**(1)**	(2,580)
Interest expense		**1,967**	293
Unrealized loss (gain) on derivatives	10.2	**713**	(3,997)
Share-based compensation		**28**	76
Gain on foreign exchange		**(20)**	(322)
Non-cash portion of other income	23	**(256)**	(2,688)
Gain on disposal of property, plant and equipment	6 & 7	**(14,609)**	(268)
Retirement benefit obligation expense net of employer contributions		**(261)**	223
Cash used in operating activities before non-cash working capital		**(10,415)**	(6,219)
Movements in non-cash working capital			
Trade and other receivables		**(5,755)**	3,930
Inventories		**(1,374)**	2,103
Prepaid expenses and other assets		**(2,613)**	106
Assets held for sale		**(10)**	-
Trade and other payables		**2,727**	(3,604)
Provisions		**(321)**	(463)
Income tax receivables and payables		**519**	-
Changes in non-cash operating items		**(6,827)**	2,072
Interest payment on lease liabilities and loan	8.2	**(1,529)**	(293)
Restricted shares and stock options settled		**(26)**	(36)
Cash used in operating activities		**(18,797)**	(4,476)
INVESTING			
Note receivable – issued	11	**-**	(302)
Additions to property, plant and equipment	6	**(1,186)**	(2,540)
Additions to intangible assets	7	**(25)**	-
Proceeds from disposal of property, plant and equipment	6.1	**33,836**	253
Proceeds from note receivable	9	**36**	-
Cash generated from (used in) investing activities		**32,661**	(2,589)
FINANCING			
Proceeds from revolving credit facility	22	**6,925**	8,005
Payment on revolving credit facility	22	**(15,031)**	-
Proceeds from forgivable government loan	23	**(27)**	1,708
Principal portion of lease liabilities	8.2	**(729)**	(1,615)
Financing fees	22	**-**	(131)
Cash (used in) generated from financing activities		**(8,862)**	7,967
Unrealized foreign exchange gain on cash		**(18)**	(287)
Net cash inflow (outflow)		**4,984**	615
Cash, cash equivalents and restricted cash, beginning of year		**6,500**	5,885
Cash, cash equivalents and restricted cash, end of year		**$ 11,484**	$ 6,500

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

1. GENERAL INFORMATION

Inscape Corporation (the “Company”) is a limited company incorporated in Ontario, Canada, with Class B common shares listed on the Toronto Stock Exchange (TMX). The Company’s registered office is at 67 Toll Road, Holland Landing, Ontario, Canada.

The Company is an office furniture manufacturer with production at two facilities, an approximately 313,000 square feet plant in Holland Landing, and a 30,000 square feet plant in Jamestown, New York, USA. The Company serves its clients through a network of dealers and representatives supported by showrooms across North America.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance with IFRS including comparatives

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) effective for the year ended April 30, 2022.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements. These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on July 14, 2022.

The consolidated financial statements are presented in Canadian dollars, the functional currency of the Company, and all values are rounded to the nearest thousands, except where indicated. Our US operation, Walls, uses the US dollar as its functional currency.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its two wholly owned US subsidiaries, Inscape Inc. and Inscape (New York) Inc. Subsidiaries are consolidated from the date of acquisition and control and continue to be consolidated until the date that such control ceases. The Company controls an entity when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect these returns through the Company’s power over the investee. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following significant items:

- derivative instruments are measured at fair value;
- defined benefit plan assets and liabilities are recognized at the present value of the defined benefit obligation, less the fair value of plan assets.

Revenue recognition

Sale of manufactured goods

The Company’s revenue is generated from sales and installation of manufactured goods to customers through a dealer network. For manufactured goods, revenue is recognized at a point in time when the goods are shipped. Revenue is recognized at a point in time when control of the assets passes to the customer; the Company’s terms and condition state that control of the assets transfers at shipping point. This is where the customer gains control of the asset.

Revenue from installation is recognized over time on a percentage of completion based on physical stage of completion of the contract. This output method is the best measure of progress as the nature of the products installed enable measurement to be reliably observed.

The Company invoices the customer as the installation occurs. The payments are received as per normal payment terms established with the customer.

Revenue from the sale of manufactured goods and installation is measured at fair value of the consideration received less applicable sales taxes, discounts, rebates and dealer incentives. Sales-related warranties associated with the sales and installation of manufactured goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. These assurance warranties are not distinct and does not represent a separate performance obligation for IFRS 15 purposes. Hence, the Company accounts for warranties in accordance with IAS 37 (see Note 13).

Dealer incentives

The Company offers a variety of incentives to its dealer base to support sales initiatives. An obligation arises from the incentives when the Company sells manufactured goods and/or installations through the dealer network. The obligation is measured at fair value of the incentive earned. The dealer incentives are recorded as a reduction to revenue in the Consolidated Statement of Operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term GIC investments, available on demand. As at April 30, 2022, the Company had bank balances of $3,273 and short-term investments, available on demand, of $5,011.

Restricted cash

Restricted cash is cash where specific restrictions exist on the Company's ability to use this cash.

Restricted cash consists of cash held by the Company on deposit with its bank, as collateral security for certain derivative financial instruments and supporting letter of credit issued in relation to certain lease contracts.

Assets classified as held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must also be committed to a plan to sell the assets within one year from the date of classification. Assets classified as held for sale are measured at the lower of the carrying amount or fair value less costs to sell and are not depreciated from the date of classification.

Sale and Leaseback

For sale and leaseback transactions, the Company applies the requirements of IFRS 15 Revenue to determine whether the transfer of the asset should be accounted for as a sale and is generally considered as such if there is no repurchase option on the asset at the end of the lease term. If the transfer of the asset is a sale, the Corporation de-recognizes the underlying asset and recognizes a right-of-use asset arising from the leaseback equal to the retained portion of the previous carrying amount of the sold asset. The residual is recognized through the statement of operations as a gain on disposal of property, plant and equipment & intangibles assets.

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of outstanding lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The Company's incremental borrowing rate for a lease is the rate that the Company would pay to borrow an amount necessary to obtain an asset of a similar value to the right-of-use asset on a collateralized basis over a similar term. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured if there is a change in future lease payments arising from a change in an index or rate

Lease payments include fixed payments less any lease incentives and any variable lease payments where variability depends on an index or rate. Management exercises judgment in the process of applying IFRS 16 and determining the appropriate lease term on a lease by lease basis. Management considers many factors including any events that create an economic incentive to exercise a renewal option including performance, expected future performance and past business practice. Renewal options are only included if Management is reasonably certain that the option will be renewed. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of operations and comprehensive income (loss).

Foreign currencies

Transactions in foreign currencies are recognized at the average exchange rate for the month in which the transactions occurred, unless exchange rates fluctuated significantly during that period or for non-recurring transactions of material amounts, in which case the exchange rates at the dates of the transactions are used. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in the statement of operations in the period in which they arise.

For the Company’s foreign operation where the Canadian dollar is its functional currency, the same policy described above is applied to the translation of its assets and liabilities for the purpose of presenting consolidated financial statements.
For the Company’s foreign operation where the US dollar is its functional currency, the assets and liabilities of the foreign operation for the purpose of presenting consolidated financial statements are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Revenues and expenses are translated into Canadian dollars at the average exchange rate for the month in which the transactions occurred, unless exchange rates fluctuated significantly during that period or for non-recurring transactions of material amounts, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income or loss and accumulated in equity until the disposal of the foreign operation, when all of the accumulated exchange differences in respect of that operation are reclassified to profit or loss.

Employee future benefits

Contributions to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. Actuarial gains or losses arise from the difference between the effective yield of plan assets for a period and the expected yield on plan assets for the period, from changes in actuarial assumptions used to determine defined benefit obligations and from emerging experience that differs from the selected assumptions. Actuarial gains and losses and related taxes are recognized in other comprehensive income or loss as remeasurement of defined benefit liabilities in the period in which they occur.

The retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan. The determination of a benefit expense requires assumptions such as the discount rate to measure obligations and the expected return on asset, the expected mortality rate and the expected rate of future compensation increases.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds and that have terms to maturity approximating the terms of the related pension liability.

For the purposes of calculating the estimated rate of return on plan assets, assets are measured at fair value.

Actuarial gains or losses arise from the difference between the effective yield of plan assets for a period and the expected yield on plan assets for the period, from changes in actuarial assumptions used to determine defined benefit obligations and from emerging experience that differs from the selected assumptions. Actuarial gains or losses are recognized under other comprehensive income (loss) in the period in which they occur.

Net interest is recognized in consolidated statements of loss and comprehensive loss calculated using the discount rate by reference to market yields at the valuation date and when plan assets and obligations are measured.

Net defined benefit liability is determined based on the excess of plan obligations over plan assets.

Share-based compensation
For share-based compensation arrangements in which the term of the arrangement provides the employees and others providing similar services with the choice of settlement by equity instruments or in cash, the transaction is accounted for as a cash-settled share-based payment transaction.

For cash-settled share-based compensation, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. The liability is subsequently measured at fair value using mark to market accounting. Under the stock option plan, the fair value is determined by using the Black-Scholes-Merton Option Pricing Model, which factors in the Company’s estimate of the number of options that will eventually vest. Under the executives’ cash settled long-term incentive plan and the cash settled deferred share unit plan, the fair value is based on the share price at the end of the reporting period as well as the Company’s estimate of the number of shares that will eventually vest.

At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of operations due to items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate in accordance with IFRIC 23 Uncertainty over Income Tax Treatments.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally

recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in other income on a systematic basis over the periods in which the Company incurs expenses for the related costs for which the grants are intended to compensate.

When a government loan is issued to the Company at a below-market rate of interest, the loan is initially recorded at its net present value and accreted to its face value over the period of the loan. The benefit of the below-market rate of interest is accounted for as a government grant. It is measured as the difference between the initial carrying value of the loan and the cash proceeds received.

Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria in IAS 38, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization.

Loss per share (“LPS”)

Basic loss per common share is calculated using the weighted daily average number of common shares outstanding. Diluted loss per share is calculated using the treasury stock method.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized when property, plant and equipment is available for use so as to write off the cost less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation ceases at the earlier of when the asset or component is derecognized, or when it is held for sale or included in a group that is classified as held for sale.

Each component of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item and has a significantly different estimated useful life than the parent asset is depreciated separately. Component accounting is used for the Company’s buildings.

Depreciation is calculated over the estimated useful life of the assets, at the following rates and methods:

Asset category	**Useful lives**	**Depreciation method**
Land	Nil	Nil
Building / Roof	25 – 40 years	Straight line
Leasehold improvements	The lower of the estimated useful life and the term of the lease	Straight line
Machinery and equipment	5 – 20 years	Straight line
Tools, dies and jigs	3 years	Straight line
Office furniture and equipment	2 – 10 years	Straight line

Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each year-end, with the effect of any changes in estimate being accounted for on a prospective basis. Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Amortization is calculated over the estimated useful life of the assets, at the following rates and methods:

Asset category	Useful lives	Amortization method
Licensed products	3 – 5 years	Straight line
Computer software	3 – 5 years	Straight line
Intellectual property	10 years	Straight line

Impairment of long-lived non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of the estimated future cash flows from the use of the asset (or cash-generating unit).

The discount rates used in the present value calculation are the pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount is estimated to be less than the carrying amount of the asset (or cash-generating unit), the carrying amount is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. At the end of each reporting period, the Company reviews whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill (or cash-generating unit) may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset (or cash-generating unit) is estimated in order to determine whether the impairment loss should be reversed. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Raw materials are measured at the lower of cost and net realizable value, determined on a first-in, first-out basis. Recoverable costs of raw materials that have no consumption over a period of eighteen months may be written down based on the Company's assessment of their future usage. When circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down previously recorded is reversed. Work-in-progress and finished goods are measured at the lower of cost and net realizable value, determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of work-in-progress and finished goods includes the cost of raw materials, and the applicable share of the cost of labour, fixed and variable production overheads.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial assets
Financial assets consist of cash and cash equivalents, restricted cash, trade and other receivables, note receivable and derivative financial assets. These financial assets are initially measured at fair value plus transaction costs. They are subsequently measured at amortized cost, except derivatives financial assets, as discussed below.

Amortized cost is determined using the effective interest rate method, factoring in acquisition costs paid to third parties, and loss allowance. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument.

The Company does not have any financial assets that are subsequently measured at fair value except for the derivative financial instrument which may be in an asset or liability position depending on the prevailing foreign exchange rates at such time. These derivatives have been classified as fair value through profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from an asset.

Impairment of financial assets
The Company recognizes an allowance for expected credit loss on accounts receivable that are measured at amortized cost. The amount of expected credit loss ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognizes lifetime ECL for its trade and other receivables. The expected credit losses on these financial assets are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Financial liabilities
Financial liabilities are recognized initially at fair value and subsequently measured at either fair value or amortized cost. The Company's financial liabilities are classified as 'financial liabilities at amortized cost' and include any borrowings and trade and other payables and are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Classification of financial assets and liabilities
The following is the classification of the Company's financial assets and liabilities based on their characteristics and management's choices and intentions related to them:

Asset/Liability	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Trade and other receivables	Amortized cost
Note receivable	Amortized cost
Trade and other payables	Amortized cost
Revolving credit facility	Amortized cost
Derivative assets and liabilities	FVTPL

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately since the derivatives are not designated as hedging instruments for hedge accounting.

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Non-performance risk, including the Company's own credit risk, is considered when determining the fair value of financial instruments.

Share capital
Common shares issued by the Company are recorded in the amount of the proceeds received, net of direct issue costs.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
The application of the Company's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates materially.

Significant estimates and judgments in applying accounting policies
The following are estimates and judgments that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Significant judgments
The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its assets carried at amortized costs, including other receivables. For trade and other receivables only, the Company applies the simplified approach permitted by IFRS 9, which requires the expected lifetime losses (based on management's judgement and review of known exposures, credit worthiness, and collection experience) to be recognized from initial recognition of the receivables.

Provision for inventories is based on the aging of inventories and management's judgement of product life cycles in identifying obsolete items.

Provision for warranty is based on management's judgment and review of any known exposures and historical claim experience.

Percentage of completion percentages are based on the Company's onsite project management estimate of job progress, an output method. The project manager enables the Company to track the progress toward completion of the contract by measuring outputs to date relative to total estimated outputs needed to satisfy the performance obligation.

Identification of cash generating units for the purposes of performing impairment test of assets is based on management's judgment of what constitutes the lowest group of assets that can generate cash flows largely independent of other assets.

Determination to not recognize deferred tax assets is based on management's judgment of the ability of the Company to achieve sufficient taxable income to use the deferred tax assets.

COVID-19 Pandemic
The COVID-19 pandemic has continued to disrupt global health and the economy in 2022 and has created an indeterminate period of volatility in the markets in which the Company operates. The Company continues to monitor developments and mitigate risks related to the COVID-19 pandemic and the impact on the business operations, supply chain, and most importantly the health and safety of its employees.

As an evolving risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly affect the Company's operations, financial results and condition in future periods. Therefore, the amounts recorded in these consolidated financial statements are based on the latest reliable information available to management at the time the consolidated financial statements were prepared, reflecting the information and conditions to date. However, given the level of uncertainty caused by COVID-19, these assumptions and estimates could result in outcomes that could require a material adjustment to revenue and expenses, and the carrying amount of the affected asset or liability in the future.

Asset held for sale
The Company's accounting policies relating to assets held for sale are described above. In applying this policy, judgment is required in determining whether sale of certain assets is highly probable, which is a necessary condition for being presented within assets held for sale.

Government assistance
Government assistance, including the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS"), are recorded in the consolidated financial statements as described above, significant accounting policies. In applying this policy, judgment is required in determining whether government grants will be received and that the Company will comply with conditions attached.

Going concern
Significant judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the assessment of the Company's ability to continue as a going concern.

The Company uses a forecasted cash flow to assess the Company's ability to continue as a going concern. Significant judgment is required to forecast the amount of new sales orders and total revenue and the timing of the related cash flows.

Significant estimates
Estimated useful lives and residual values of intangible assets, property, plant and equipment are based on management's experience, the intended usage of the assets and the expected technological advancement that may affect the life cycle and residual values of the assets.

Defined benefit pension obligations are based on management's best estimates on the long-term investment return on pension fund assets, the discount rate of obligations, mortality and the future rate of salary increase.
Liability for the Company's performance and restricted share units is based on management's best estimate of the Company's financial performance during the vesting period of the performance and restricted share units.
Determination of the company's fair value of the principal assets of each CGU less the costs to sell the assets is used to perform an impairment test of the assets.

The calculation of recoverable amounts used in impairment testing require significant estimates, which are reviewed in detail as part of the budget and strategic plan process during the fourth quarter of 2022. For purposes of impairment testing, management exercises judgment to identify independent cash inflows for the Walls and Furniture CGUs. Management also make significant judgment on the outcome of strategic decisions to improve the profitability of the Company. Examples of events or circumstances that could result in changes to the underlying key assumptions and judgments used in the impairment tests, and therefore impact the recoverable amounts may included but are not limited to: the length, duration and impact of COVID-19 on the economy, including measures adopted by governmental or public authorities in response to the pandemic; adverse macro economic conditions; volatility in the equity and debt markets which could result in higher discount rates; and current and future competitive conditions and the Company's position in the competitive environment. The outcome of these judgments may vary significantly and affects the profitability of the CGUs.

(in thousands of Canadian dollars, except where indicated and per share amounts)

The recoverable amounts of CGUs are based on fair value less costs of disposal, which was determined using present value of forecasted future cash flows. The fair value measurements are categorized within Level 3 of the fair value hierarchy since the inputs used in the discounted cash flow model are Level 3 inputs (inputs that are not based on observable market data). The estimated future cash flows for the first five years are based on the budget and strategic plan. After the initial five years, long-range forecasts prepared by management are used using the projected inflation rates in United States. Terminal growth rate is determined at year 6.

Forecast future cash flows are based on management's best estimate of the expected annual sales, which are based on management's market forecasts and the Company's pre-pandemic sales levels. Other key estimates used to determine the recoverable amount include future sales under existing firm orders, expected future orders, timing of payments based on expected delivery schedules, procurement costs based on existing contracts with suppliers, future labor costs, general market conditions, foreign exchange rates, costs to complete the re-engineering and right-sizing of the Holland Landing plant and applicable long-range forecast income tax rates, terminal growth rate and post-tax discount rate of 13.5% based on a weighted average cost of capital calculated using market-based inputs.

The application of IFRS 16 requires the use of estimates that affect the measurement of right-of-use-assets and lease liabilities, including the appropriate discount rate used to measure lease liabilities. The Company discounts lease payments at its incremental borrowing rate, which is based on estimates of the risk-free interest rate, credit spreads and lease terms. In addition, it assesses the duration of the lease based on the terms of the contract and the renewal options it has reasonable certainty to exercise. A change in these assumptions could affect the amounts recorded.

3. NEW ACCOUNTING STANDARDS ADOPTED

(a) New standards, interpretations and amendments adopted by the Company

There were no new standards, interpretations or amendments that had a material impact to the Company's consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2022 that are expected to have a material impact to the Company's consolidated financial statements.

4. TRADE AND OTHER RECEIVABLES

	As at April 30, 2022	As at April 30, 2021
Trade account receivables, gross	**$ 9,256**	$ 5,323
Allowance for expected credit losses	**(9)**	(45)
	9,247	5,278
Other receivables	**2,531**	609
	$ 11,778	$ 5,887

Included in other receivables was $1,624 related to the sale of surplus land at 70 Toll Road, Holland Landing, Ontario, which was subsequently collected on May 2, 2022.

(in thousands of Canadian dollars, except where indicated and per share amounts)

An aging analysis of trade receivables:

	As at April 30, 2022	As at April 30, 2021
Current	**$ 3,611**	$ 2,394
1-30 days	**2,645**	1,189
31-60 days	**624**	230
61-90 days	**595**	257
> 90 days	**1,781**	1,253
	$ 9,256	$ 5,323

(in thousands of Canadian dollars, except where indicated and per share amounts)

5. INVENTORIES

	As at April 30, 2022	As at April 30, 2021
Raw materials	**$ 3,946**	$ 3,153
Work-in-progress	**288**	174
Finished goods	**692**	170
	$ 4,926	$ 3,497

The cost of inventories recognized as cost of goods sold was $31,073 (2021 - $30,186). During the year, there was an inventory write-down to net realizable value of $378 (2021 - $1,513).

6. PROPERTY, PLANT AND EQUIPMENT

As at April 30, 2022	Leasehold Improvements	Machinery and Equipment	Tools, Dies and Jigs	Office Furniture and Equipment	Capital Projects in Progress (CIP)	Total
Cost:						
Opening balance, May 1, 2021	$ 3,079	$ 40,274	$ 20,422	$ 9,173	$ 376	$ 73,324
Additions	29	742	117	52	246	1,186
Disposals	-	(25)	-	(5,745)	-	(5,770)
Transfers	-	123	22	-	(145)	-
Impact of financial currency translation	12	29	6	15	1	63
Ending balance, April 30, 2022	3,120	41,143	20,567	3,495	478	68,803
Accumulated depreciation:						
Opening balance, May 1, 2021	1,886	36,834	20,319	8,806	-	67,845
Depreciation charge for the year	218	545	74	189	-	1,026
Disposals	-	(25)	-	(5,744)	-	(5,769)
Transfers	-	-	-	-	-	-
Impact of financial currency translation	-	26	6	9	-	41
Ending balance, April 30, 2022	2,104	37,380	20,399	3,260	-	63,143
Net book value, April 30, 2022	$ 1,016	$ 3,763	$ 168	$ 235	$ 478	$ 5,660

(in thousands of Canadian dollars, except where indicated and per share amounts)

As at April 30, 2021	Land	Buildings/ Roof	Lease-hold Improve-ments	Machinery and Equipment	Tools, Dies and Jigs	Office Furniture and Equipment	Capital Projects in Progress (CIP)	Total
Cost:								
Opening balance, May 1, 2020	$ 300	$ 15,237	$ 6,318	$ 39,979	$ 21,009	$ 11,965	$ 117	$ 94,925
Additions	-	63	311	1,675	64	137	290	2,540
Disposals	-	-	(3,542)	(1,255)	(581)	(2,849)	(28)	(8,255)
Transferred to assets held for sale[1]	(300)	(15,300)	-	-	-	-	-	(15,600)
Impact of financial currency translation	-	-	(8)	(125)	(70)	(80)	(3)	(286)
Ending balance, April 30, 2021	-	-	3,079	40,274	20,422	9,173	376	73,324
Accumulated depreciation:								
Opening balance, May 1, 2020	-	10,070	4,961	37,722	20,864	11,393	-	85,010
Depreciation charge for the year	-	289	467	454	106	310	-	1,626
Disposals	-	-	(3,542)	(1,234)	(580)	(2,823)	-	(8,179)
Transferred to assets held for sale[1]	-	(10,359)	-	-	-	-	-	(10,359)
Impact of financial currency translation	-	-	-	(108)	(71)	(74)	-	(253)
Ending balance, April 30, 2021	-	-	1,886	36,834	20,319	8,806	-	67,845
Net book value, April 30, 2021	$ -	$ -	$ 1,193	$ 3,440	$ 103	$ 367	$ 376	$ 5,479

[1]As of March 24, 2021, the Company intends to enter into an agreement to sell and leaseback the land and building at the Holland Landing property within the next twelve months. As at April 30, 2021, the non-current assets has been reclassified as assets held for sale on the statement of financial position (Note 2). This property is part of the Furniture reportable segment.

6.1 HOLLAND LANDING SALE TRANSACTIONS

Sale and Leaseback
On January 25, 2022, the Company completed a sale and leaseback of the land and buildings ("the property") at 67 Toll Road in Holland Landing, Ontario to a third-party purchaser. The property, which was included in assets held for sale immediately prior to sale, had a carrying value of $5,237 (2021 - $5,229), during the current fiscal year incremental building improvements of $8 were added. The transaction qualifies for sales recognition under IFRS 15 and the Company recorded a gain of $12,985. The lease liability reflects the net present value of future lease payments. The gross sale proceeds of $32,750 were primarily used to repay in-full borrowings under the Revolving Credit Facility and provided working capital for continued business operations.

The lease related to this transaction has an initial term of 10 years as well as two 5-years extension terms, at the option of the Company. At the commencement of the lease, the Company recorded a lease liability of $16,699 and a right-of-use assets of $2,715. The incremental borrowing rate of the lease was 6.5%. Management's valuation of the sale and leaseback was completed over the first 10-year horizon only, given high probability of changes in our industry.

Sale of Surplus Property and motor vehicle
On April 29, 2022, the Company completed a sale of surplus property at 70 Toll Road in Holland Landing, Ontario to a third-party purchaser. The property, which was included in assets held for sale immediately prior to sale, had a carrying value of $12. The sale generated cash proceeds of $1,700 and resulted in a net gain of $1,605.

During the year, the Company disposed of a fully depreciated vehicle at the Walls plant for proceeds of $11.

(in thousands of Canadian dollars, except where indicated and per share amounts)

7. INTANGIBLE ASSETS

As at April 30, 2022		**Licensed Products**		**Computer Software**		**Intellectual Property**		**Total**
Cost:								
Opening balance, May 1, 2021	**$**	**74**	**$**	**10,426**	**$**	**421**	**$**	**10,921**
Additions		**-**		**25**		**-**		**25**
Disposals		**(74)**		**(4,450)**		**-**		**(4,524)**
Impact of financial currency translation		**-**		**1**		**-**		**1**
Ending balance, April 30, 2022	**$**	**-**	**$**	**6,002**	**$**	**421**	**$**	**6,423**
Accumulated Amortization:								
Opening balance, May 1, 2021	**$**	**74**	**$**	**9,139**	**$**	**421**	**$**	**9,634**
Amortization		**-**		**486**		**-**		**486**
Disposals		**(74)**		**(4,450)**		**-**		**(4,524)**
Impact of financial currency translation		**-**		**1**		**-**		**1**
Ending balance, April 30, 2022	**$**	**-**	**$**	**5,176**	**$**	**421**	**$**	**5,597**
Net book value, April 30, 2022	**$**	**-**	**$**	**826**	**$**	**-**	**$**	**826**

As at April 30, 2021		Licensed Products		Computer Software		Intellectual Property		Total
Cost:								
Opening balance, May 1, 2020	$	122	$	11,021	$	524	$	11,667
Disposals		(48)		(556)		(103)		(707)
Impact of financial currency translation		-		(39)		-		(39)
Ending balance, April 30, 2021	$	74	$	10,426	$	421	$	10,921
Accumulated Amortization:								
Opening balance, May 1, 2020	$	122	$	9,384	$	524	$	10,030
Amortization		-		345		-		345
Disposals		(48)		(556)		(103)		(707)
Impact of financial currency translation		-		(34)		-		(34)
Ending balance, April 30, 2021	$	74	$	9,139	$	421	$	9,634
Net book value, April 30, 2021	$	-	$	1,287	$	-	$	1,287

(in thousands of Canadian dollars, except where indicated and per share amounts)

8. LEASES

8.1 Right-of-use assets

As at April 30, 2022

	Showrooms	Facilities	Other	Total
Cost:				
Opening balance, May 1, 2021	$ 10,554	$ 1,180	$ 231	$ 11,965
Additions	2,024	2,778	29	4,831
Disposals	-	-	-	-
Impact of financial currency translation	-	50	6	56
Ending balance, April 30, 2022	$ 12,578	$ 4,008	$ 266	$ 16,852
Accumulated Depreciation:				
Opening balance, May 1, 2021	$ 1,830	$ 37	$ 48	$ 1,915
Amortization	1,046	234	70	1,350
Disposals	-	-	-	-
Impact of financial currency translation	-	5	3	8
Ending balance, April 30, 2022	$ 2,876	$ 276	$ 121	$ 3,273
Net book value, April 30, 2022	$ 9,702	$ 3,732	$ 145	$ 13,579

There were no expenses related to short-term or low-value leases during the year.

As at April 30, 2021

	Showrooms	Facilities	Other	Total
Cost:				
Opening balance, May 1, 2020	$ 4,050	$ 905	$ 124	$ 5,079
Additions	7,139	1,220	137	8,496
Disposals	(635)	(832)	(17)	(1,484)
Impact of financial currency translation	-	(113)	(13)	(126)
Ending balance, April 30, 2021	$ 10,554	$ 1,180	$ 231	$ 11,965
Accumulated Depreciation:				
Opening balance, May 1, 2020	$ 1,244	$ 173	$ 25	$ 1,442
Amortization	1,221	711	32	1,964
Disposals	(635)	(810)	(5)	(1,450)
Impact of financial currency translation	-	(37)	(4)	(41)
Ending balance, April 30, 2021	$ 1,830	$ 37	$ 48	$ 1,915
Net book value, April 30, 2021	$ 8,724	$ 1,143	$ 183	$ 10,050

There were no expenses related to short-term, low-value nor variable leases during the year.

(in thousands of Canadian dollars, except where indicated and per share amounts)

8.2 Lease liabilities

As at April 30, 2022

	Showrooms	Facilities	Other	Total
Opening balance, May 1, 2021	**$ 8,735**	**$ 1,137**	**$ 187**	**$ 10,059**
Additions	**2,082**	**17,012**	**28**	**19,122**
Principal payments	**(541)**	**(122)**	**(66)**	**(729)**
Disposals	**-**	**-**	**-**	**-**
Impact of financial currency translation	**312**	**45**	**2**	**359**
Ending balance, April 30, 2022	**$ 10,588**	**$ 18,072**	**$ 151**	**$ 28,811**
Current lease liabilities	**881**	**1,199**	**78**	**2,158**
Non-current lease liabilities	**9,707**	**16,873**	**73**	**26,653**
Ending balance, April 30, 2022	**$ 10,588**	**$ 18,072**	**$ 151**	**$ 28,811**

	As at April 30, 2022
Lease term:	
Not later than 1 year	**$ 2,158**
Later than 1 year and not later than 5 years	**10,051**
Later than 5 years	**16,602**
	$ 28,811

As at April 30, 2021

	Showrooms	Facilities	Other	Total
Opening balance, May 1, 2020	$ 3,277	$ 512	$ 102	$ 3,891
Additions	7,139	1,220	137	8,496
Principal payments	(1,069)	(517)	(29)	(1,615)
Disposals	-	(15)	(14)	(29)
Exchange differences	(612)	(63)	(9)	(684)
Ending balance, April 30, 2021	$ 8,735	$ 1,137	$ 187	$ 10,059
Current lease liabilities	531	120	66	717
Non-current lease liabilities	8,204	1,017	121	9,342
Ending balance, April 30, 2021	$ 8,735	$ 1,137	$ 187	$ 10,059

	As at April 30, 2021
Lease term:	
Not later than 1 year	$ 717
Later than 1 year and not later than 5 years	3,811
Later than 5 years	5,531
	$ 10,059

(in thousands of Canadian dollars, except where indicated and per share amounts)

9. OTHER ASSETS

Other assets consist of:

	As at April 30, 2022	As at April 30, 2021
Current	$ -	$ -
Non-current	2,700	-
	$ 2,700	$ -

Other assets relate primarily to deposits paid to lessor for three leased properties, namely Holland Landing Ontario ($2,500), the Toronto Showroom ($33), the New York Showroom ($147) and the Washington Showroom ($20), in the U.S. The contracts generally provide for scheduled reduction of the security deposits over the lease term. There are no reductions within the next twelve-month period.

10. FINANCIAL INSTRUMENTS

10.1 Capital risk management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders through growth in earnings.

Management defines capital as the Company's total capital, debt and reserves excluding accumulated other comprehensive income as summarized in the following table:

	As at April 30, 2022	As at April 30, 2021
Issued capital	$ 52,868	$ 52,868
Contributed surplus	2,675	2,675
Debt	-	(8,005)
Deficit	(45,008)	(44,169)
Total	$ 10,535	$ 3,369

The Company manages its capital structure and makes modifications in response to changes in economic conditions and the risks associated with the underlying strategic initiatives. In order to maintain or adjust the capital structure, the Company may return capital to shareholders. As at April 30, 2022, the Company closed out previous revolving credit facility and have not entered into any new facility.

See Credit Facility for a description of the Company's externally imposed covenants – Note 22.

10.2 Foreign currency risk management

The Company's activities expose it primarily to the financial risks of changes in the US dollar exchange rates. The Company enters into a variety of derivative financial instruments to hedge the exchange rate risk arising on the anticipated sales to the US. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors. Compliance with policies and exposure limits is reviewed by the Board on a regular basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

As at April 30, 2022, the Company had outstanding US dollar hedge contracts with settlement dates from May 2022 to December 2022. The total notional amounts under the contracts are US$8,500 to US$13,600 (2020 - US$14,000 to US$22,050). Dependent on the spot CAD/US rate on each settlement date, the Company can sell US dollars at rates ranging from $1.22 CAD/US to $1.34 CAD/US (2021 - $1.27 CAD/US to $1.35 CAD/US). These contracts had a mark-to-market unrealized loss of $107 (US$84) as at April 30, 2022 (2021 – unrealized gain of $606 or US$493), which was recognized on the consolidated statement of financial position as derivative liability. Any changes in the net gain or loss from the prior reporting period due to addition of forward contracts, movements in the US currency exchange rate, gain or losses on derivatives are recognized on the consolidated statement of operations as unrealized gain or loss on derivatives of the year. There were realized gains of $272 on the settlement of contracts during fiscal year 2022 (2021 – gains $135).

(in thousands of Canadian dollars, except where indicated and per share amounts)

The following reconciles the changes in the fair value of the derivatives at the beginning and the end of the year:

	As at April 30, 2022	As at April 30, 2021
Fair value of derivative assets (liabilities), beginning of year	**$ 606**	$ (3,391)
Changes in fair value during the year:		
(Decrease) increase in fair value of new contracts added	**(107)**	535
Realization of derivative assets (liabilities) of contracts settled	**(74)**	2,271
(Decrease) increase in fair values of outstanding contracts	**(532)**	1,191
Net (increase) decrease in fair value of derivative contracts recognized during the year	**(713)**	3,997
Fair value of derivative (liabilities) assets, end of year	**$ (107)**	$ 606
Current	**$ (107)**	$ 587
Long-term	**-**	19
	(107)	606

10.3 Foreign currency sensitivity analysis

Based on the existing average US currency hedge contract rates and the mix of US dollar denominated sales and expenses for the year ended April 30, 2022, a 1% change in the Canadian dollar against the US dollar would have an impact of approximately $44 on the Company's pre-tax earnings (2021 – $42).

Based on the US dollar denominated assets and liabilities as at April 30, 2022, a 1% change in the Canadian dollar against the US dollar would have an impact of $437 on the unrealized exchange gain or loss reported in the Consolidated Statements of Operations (2021 - $315) and an impact of $194 on the Consolidated Statements of Comprehensive Income (Loss) (2021 - $162).

10.4 Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to the Company. The credit risk of counterparty non-performance continues to be relatively low, notwithstanding the impact of COVID-19. The Company's cash, restricted cash, trade accounts receivable, loan receivable and derivative assets are subject to the risk that the counterparties may fail to discharge their obligation to pay the Company. As at April 30, 2022, the Company's maximum direct exposure to credit risk is $26,320 (2021 – $13,153).

The Company is in regular contact with its customers, suppliers and logistics providers, and to date have not experienced significant counterparty non-performance. However, if a key supplier (or any company within such supplier's supply chain) or customer experiences financial difficulties or fails to comply with their contractual obligations, which may occur as the pandemic continues, this could result in a significant financial loss. The Company would also suffer a significant financial loss if an institution from which the Company purchased foreign exchange contracts and/or annuities for its pension plans defaults on their contractual obligations. With respect to its financial market activities, the Company has adopted a policy of dealing only with credit-worthy counterparties. In light of COVID-19, the Company assessed the financial stability and liquidity of its customers at the reporting date. No significant adjustments were made to the allowance for expected credit loss in connection with this assessment.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by assessing new customers' credit history, reviewing credit limits, monitoring aging of accounts receivable, assessing specific customer information and reviewing general historical trends. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. As at April 30, 2022, the allowance for expected credit losses was $9 (2021 - $45).

(in thousands of Canadian dollars, except where indicated and per share amounts)

The Company's allowance for expected credit losses consist of sales allowances released during the year of $26 (2021 – $126) mainly from adjustments to expected lifetime credit losses. The amount written-off of $11 (2021 - $38) was from one customer where the Company could not collect. Below is a breakdown of the Company's ECL:

Movement in the allowance for ECL	**As at April 30, 2022**	As at April 30, 2021
Balance, beginning of year	**$ 45**	$ 216
Sales allowances adjustments	**(26)**	(126)
Amount written-off	**(11)**	(38)
Currency exchange	**1**	(7)
Balance, end of year	**$ 9**	$ 45

10.5 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. The Company is exposed to liquidity risk primarily as a result of its lease liabilities and trade and other payables. The Company continuously reviews both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity.

The primary source of liquidity is funds generated by operating activities and financial assets held; the Company is debt-free.

The following table summarizes the amount of contractual undiscounted future cash flow requirements as at April 30, 2022:

	2022	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Trade and other payables	**$ 10,794**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10,794**
Lease liabilities	**$ 3,696**	**$ 4,013**	**$ 3,766**	**$ 3,805**	**$ 3,895**	**$ 19,288**	**$ 38,463**
Total contractual obligations	**$ 14,490**	**$ 4,013**	**$ 3,766**	**$ 3,805**	**$ 3,895**	**$ 19,288**	**$ 49,257**

10.6 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(in thousands of Canadian dollars, except where indicated and per share amounts)

The following table illustrates the classification of financial assets (liabilities) in the fair value hierarchy as at April 30, 2022:

	Level 1	Level 2	Level 3
Financial assets			
Cash equivalents	$ -	$ 5,011	$ -
Financial liabilities			
Derivative financial liabilities	$ -	$ 107	$ -
Total net financial assets	$ -	$ 4,904	$ -

The following table illustrates the classification of financial assets in the fair value hierarchy as at April 30, 2021:

	Level 1	Level 2	Level 3
Derivative financial assets	$ -	$ 606	$ -
Total net financial assets	$ -	$ 606	$ -

There were no transfers between Level 1, 2 and 3 in the periods.

11. NOTE RECEIVABLE

On January 19, 2021, the Company entered into a lease agreement with a third party for the plant in Jamestown, New York. Subsequent to entering into the lease, the Company issued a note receivable to the lessor, an unrelated party, in the amount of $250 USD, at prevailing market rates.

The principal outstanding under this note receivable as at April 30, 2022 is $277 (2021 - $302) and is repayable in 84 monthly payments of $4 until it is fully paid off in February 2028, at a seven percent (7%) annual interest rate.

Interest income for the year ended April 30, 2022 was $20 (2021 - $4).

12. TRADE AND OTHER PAYABLES

	As at April 30, 2022	As at April 30, 2021
Trade accounts payable	$ 4,845	$ 2,661
Accrued liabilities	5,271	5,160
Sales tax payable	137	132
Other payables	541	91
	$ 10,794	$ 8,044

(in thousands of Canadian dollars, except where indicated and per share amounts)

13. PROVISIONS

Provision due to warranty		As at April 30, 2022		As at April 30, 2021
Balance, beginning of year	**$**	**709**	$	1,260
Provisions made during the year		**256**		336
Provisions reversed and used during the year		**(580)**		(791)
Impact of financial currency translation		**17**		(96)
Balance, end of year	**$**	**402**	$	709
Current		**80**		226
Non-Current	**$**	**322**	$	483

The Company provides a warranty on all products sold to its customers. Warranties are not sold separately to customers. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic resources that will be required to meet the Company's obligations for warranties upon the sale of goods, which may include repair or replacement of previously sold products. The estimate has been made on the basis of historical warranty trends.

14. RETIREMENT BENEFIT OBLIGATION

14.1 Defined contribution plans

The Company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees.

The total expense recognized in the consolidated statements of operations of $194 (2021 - $121) represents contributions made to the plan by the Company. The total employer's expected contribution to the plan for the upcoming fiscal year is anticipated to be approximately $234.

14.2 Defined benefit pension plans

The Company operates one defined benefit pension plan for qualifying employees in Canada and one defined benefit pension plan for qualifying employees in the US. No other post-retirement benefits are provided to these employees.

The Canadian defined benefit pension plan is contributory in nature. The US defined benefit plan is non-contributory, and the accrued benefits were frozen in August 2013. The Canadian plan is registered under the Ontario Pension Benefits Act, RSO 1990 and the Income Tax Act. The US plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Both plans are legally separate from the Company and are monitored by a pension committee. The pension committee is responsible for policy setting. The pension plans expose the Company to actuarial risk, currency risk, credit risk, interest rate risk and market risk.

Actuarial valuations are prepared at least every three years for the Canadian plan and every year for the US plan. The most recent actuarial valuations were as of December 31, 2020, for the Canadian plan and July 1, 2020 for the US plan. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in other comprehensive income as a part of remeasurement. The total employer's expected contribution to the Canadian defined benefit plan for the upcoming fiscal year is anticipated to be approximately $40. The expected contribution to the US plan for the upcoming fiscal year are approximately $29.

(in thousands of Canadian dollars, except where indicated and per share amounts)

14.2a Changes to the Canadian defined benefit pension plan

Effective April 2, 2022, accruals under the defined benefit component of the Plan ceased, and effective April 3, 2022, the Plan provides benefits on a defined contribution basis only.

In addition, the Company offered a Special Early Retirement Window (SERW) program to all active members of the defined benefit component of the plan, who is not a Maintenance Employee and has attained age 62 years and 17 years of continuous service on or before April 3, 2022.

These changes resulted in a curtailment gain of $641 and SERW past service cost of $195, which were recognized in pension expense for fiscal 2022 in accordance with IAS 19.

As part of the closure of the DB component, Members have been provided with the option to convert their DB entitlements and transfer a lump sum equivalent value to their DC account balance. These transfers are not expected to occur until the end of Fiscal 2023 or during Fiscal 2024.

Amounts recognized in the cost of goods sold and other comprehensive income in respect of these defined benefit plans are as follows:

	As at April 30, 2022	As at April 30, 2021
Defined benefit plans		
Benefits earned during the year	**$ 536**	$ 701
Participant contribution	**(76)**	(87)
Net interest cost	**61**	204
Pension expense recognized	**$ 521**	$ 818

	As at April 30, 2022	As at April 30, 2021
Remeasurements of the net defined benefit liabilities		
Actuarial (loss) gain due to actuarial experience	**$ (589)**	$ 886
Actuarial gain due to financial assumption changes	**4,320**	815
Actuarial (loss) gain due to demographic assumption changes	**(15)**	61
Return on plan assets (less) greater than discount rate	**(2,177)**	4,704
Remeasurements effects recognized in other comprehensive income	**$ 1,539**	$ 6,466

	As at April 30, 2022	As at April 30, 2021
Cumulative actuarial losses relating to net defined benefit liabilities		
Balance, beginning of year	**$ 1,482**	$ (4,984)
Remeasurements recognized in the year	**1,539**	6,466
Balance, end of year	**$ 3,021**	$ 1,482

(in thousands of Canadian dollars, except where indicated and per share amounts)

The significant actuarial assumptions used in measuring the accrued defined benefit pension plans obligations are as follows:

	2022	2021
Discount rate at year end	**4.06% to 4.60%**	2.69% to 3.40%
Rate of increase in future compensation	**0.0%**	2.0%

Mortality Tables	**2022**	2021
Canadian Plan	**2014 CPM Private Sector Table with mortality improvements projected using Scale MI-2017**	2014 CPM Private Sector Table
US Plan	**RP – 2014 / MP-2021 (Society of Actuaries)**	RP – 2014 / MP-2020 (Society of Actuaries)

A 1% increase in the discount rate would reduce the Canadian defined benefit obligation by approximately $2,155 (2021 - $2,890) and a 1% decrease in the discount rate would increase the Canadian defined benefit obligation by approximately $2,512 (2021 - $3,602).

A 1% increase in the discount rate would reduce the US defined benefit obligation by approximately US$432 (2021 – US$564) and a 1% decrease in the discount rate would increase the US defined benefit obligation by approximately US$515 (2021 – US$684).

The discount rates are based on a review of current market interest rates of AA corporate bond yields with a similar duration as the expected future cash outflows for the pension payments.

The amount included in the consolidated statements of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

(in thousands of Canadian dollars, except where indicated and per share amounts)

	As at April 30, 2022	Canadian Plan	US Plan	As at April 30, 2021
Defined benefit obligation, beginning of year	**$ 27,571**	**$ 21,641**	**$ 5,980**	$ 30,241
True-up	**50**	**-**	**-**	-
Current service cost	**536**	**515**	**21**	701
Past service cost adjustments	**(446)**	**(446)**	**-**	-
Interest cost	**909**	**737**	**172**	876
Benefits and expenses paid	**(1,213)**	**(908)**	**(305)**	(1,510)
Actuarial (gain)	**(3,717)**	**(3,398)**	**(319)**	(1,763)
Foreign exchange rate changes	**237**	**-**	**237**	(974)
Defined benefit obligation, end of year	**$ 23,927**	**$ 18,141**	**$ 5,786**	$ 27,571

	As at April 30, 2022	Canadian Plan	US Plan	As at April 30, 2021
Fair value of plan assets, beginning of year	**$ 26,488**	**$ 20,955**	**$ 5,582**	$ 22,901
True-up	**49**	**-**	**-**	-
Interest income	**848**	**703**	**145**	672
Employers' contributions	**337**	**306**	**31**	297
Employees' contributions	**76**	**76**	**-**	87
Benefits and expenses paid	**(1,213)**	**(908)**	**(305)**	(1,510)
Return on plan assets greater than discount rate	**(2,179)**	**(1,641)**	**(538)**	4,704
Foreign exchange rate changes	**217**	**-**	**217**	(663)
Fair value of plan assets, end of year	**$ 24,623**	**$ 19,491**	**$ 5,132**	$ 26,488
Defined benefit obligation (assets), end of year	**$ (696)**	**$ (1,350)**	**$ 654**	$ 1,083

The fair value of the investments in the DB Plan for 2022 are categorized as a Level 1, 2 and 3 investments under fair value hierarchy measurement, as outlined below:

Fund	**Level 1**	**Level 2**	**Level 3**	**Total**
Canadian Plan	5,049	13,725	717	**$ 19,491**
US Plan	-	5,132	-	**5,132**
Total	**5,049**	**18,857**	**717**	**$ 24,623**

During the year the Canadian Defined Benefit Plan, which had a liability position of $686 at April 30, 2021, experienced a remeasurement of the actuarial liability and plan assets, which resulted in a reclassification from liability to net asset position of $1,350 at April 30, 2022. It must be noted that, subsequent to the year-end, as of the date of this report, the plan assets valuation declined due to market volatility which reversed the favourable asset position to a net liability position.

During the year the US Defined Benefit Plan, which had a liability position of $397 at April 30, 2021, experienced a remeasurement of the actuarial liability and plan assets, which resulted in a net liability position of $654 at April 30, 2022.

Given that the plans are legally separate these plans are recognized separately on the statement of financial position.

(in thousands of Canadian dollars, except where indicated and per share amounts)

Major categories of plan assets at the end of the year are as follows:

	As at April 30, 2022	As at April 30, 2021
Equity securities	**25%**	62%
Debt securities	**65%**	23%
Cash and cash equivalents	**10%**	15%
Total	**100%**	100%

(in thousands of Canadian dollars, except where indicated and per share amounts)

15. INCOME TAXES

15.1 Income tax recognized in profit or loss

The Company's income tax expense (recovery) comprises:	**For the year ended April 30, 2022**	For the year ended April 30, 2021
Current	**$ 519**	$ 29
Deferred	**(446)**	(2,855)
	$ 73	$ (2,826)

The income tax provision for the years can be reconciled to the accounting income (loss) as follows:

	For the year ended April 30, 2022	For the year ended April 30, 2021
Loss before income taxes	**$ (766)**	$ (3,717)
Basic statutory income tax rate	**25.34%**	25.34%
	(194)	(942)
Reconciling items:		
Tax effect of non-taxable items relating to sale of the Holland Landing property	**(2,244)**	-
Permanent differences	**352**	1,639
True-up	**(344)**	(71)
Impact of tax rate differences	**110**	(94)
Non-recognition (recognition) of deferred tax assets	**1,689**	(3,319)
Tax rate changes	**583**	(15)
Prior year reassessment	**130**	-
Other	**(9)**	(24)
Income tax expense (recovery)	**$ 73**	$ (2,826)

The Company's basic Canadian statutory income tax rate is the aggregate of the federal income tax rate of 15% (2021 -15%) and the blended provincial tax rate of 10.34% (2021 – 10.34%). The basic US statutory income tax rate is the aggregate of the federal income tax rate of 21% (2021 – 21%) and the average rate for various states of 3.3% (2021 – 4.2%).

As of April 30, 2022, the Company recorded a tax liability of $130 (2021 – $0) for prior year reassessment resulting from a tax authority audit.

15.2 Net deferred income tax assets and liabilities

Deferred income tax assets and liabilities arising from the effect of temporary differences are as follows:

	April 30, 2021	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Exchange differences and other**	**April 30, 2022**
Property, plant and equipment	**$ (3,492)**	**$ (616)**	**$ -**	**$ (93)**	**$ (4,201)**
Retirement benefit obligation	**(276)**	**-**	**(446)**	**-**	**(722)**
Derivative assets (liabilities)	**(154)**	**181**	**-**	**-**	**27**
Reserves	**956**	**4,071**	**-**	**-**	**5,027**
	(2,966)	**3,636**	**(446)**	**(93)**	**131**
Capital loss carryforwards	**30**	**(30)**	**-**	**-**	**-**
Non-capital loss carryforwards	**5,516**	**(3,159)**	**-**	**93**	**2,450**
	$ 2,580	**$ 447**	**$ (446)**	**$ -**	**$ 2,581**

15.3 Loss carry forwards

As of April 30, 2022, the Company has unused net operating US losses of $41,747 – US$33,273 (2021 – $32,349 – US$24,716) which may be carried forward and used to reduce future years' taxable income.

(in thousands of Canadian dollars, except where indicated and per share amounts)

US non-capital losses of $41,747, of which $27,559 are limited to 80% of taxable income (determined without regard to the deduction), have an indefinite life and no expiry period.

16. OTHER LONG-TERM OBLIGATIONS

Other long-term obligations are comprised of the fair value of the Company's stock-based compensation liabilities.

	As at April 30, 2022	As at April 30, 2021
Deferred Share Units	**$ 25**	$ 27
Stock Options	**98**	72
Restricted Share Units	**42**	65
	$ 165	$ 164

17. ISSUED CAPITAL

Authorized
Unlimited Class B subordinated voting shares, 1 vote per share

	As at April 30, 2022	As at April 30, 2021
Issued and outstanding		
Class B subordinated voting	**14,380,701**	14,380,701
	14,380,701	14,380,701

18. SHARE-BASED COMPENSATION

18.1 Stock option plan

The Company has allotted and reserved 1,500,000 Class B subordinated voting shares under its Stock Option Plan. At the end of the year, the reserves available for grant are 979,855 (2021 – 1,078,161).

Under the plan, options may be granted to purchase Class B subordinated voting shares at the market price determined at the time of grant. The plan also allows for the issuance of stock options with tandem share appreciation rights, which give the holder the right to elect to either receive cash in an amount equal to the excess of the quoted market price over the option price or to receive a Class B subordinated voting share by making a cash payment equal to the option.

During the year, stock options with share appreciation rights for 270,000 Class B subordinated voting shares to expire in five years were granted (2021 – 45,000) and 50,000 stock options were exercised.

520,145 stock options were outstanding as at April 30, 2022 (2021 – 421,839). Fair values of these stock options based on the Black-Scholes-Merton Option Pricing Model are accounted for as liabilities and amortized over the vesting periods. Fair values of the amortized liabilities as at April 30, 2022 totaled $98 (2021 - $72). Fair values of the stock options were estimated using the Black-Scholes-Merton option pricing model.

The intrinsic value of the vested stock options outstanding as at April 30, 2022 was $nil (2021 - $2).

(in thousands of Canadian dollars, except where indicated and per share amounts)

The assumptions used to compute the fair values and compensation expense under the model are as follows:

Inputs to the Black-Scholes-Merton Model	**2022 Values**	2021 Values	**Basis**
Expected remaining life of the options	**0.2 to 4.6 years**	0.2 to 4.6 years	Expiry dates of the options, history of forfeiture rates and early exercise
Risk-free interest rates	**0.42% to 2.95%**	0.01% to 1.19%	Market yield on US Treasury securities at terms commensurate with the expected remaining life of the options
Expected volatility	**37% to 84%**	62% to 113%	The Company's daily share price over a period of time commensurate with the expected remaining life of the options
Expected dividend yield	**0%**	0%	The Company's current dividend yield

18.2 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and the end of the year:

	As at April 30, 2022		As at April 30, 2021	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	**421,839**	**$ 1.75**	1,143,415	$ 1.95
Granted	**270,000**	**1.07**	45,000	0.99
Exercised	**(50,000)**	**0.78**	-	-
Expired	**(39,378)**	**3.59**	(53,734)	3.10
Forfeited	**(82,316)**	**1.89**	(712,842)	1.92
Outstanding, end of year	**520,145**	**$ 1.33**	421,839	$ 1.75

(in thousands of Canadian dollars, except where indicated and per share amounts)

18.3 Share options outstanding at the end of the year
The following summarizes the share options outstanding at the end of the year:

April 30, 2022	**Options outstanding**			**Options exercisable**	
Range of exercise price	**Number of outstanding options**	**Weighted average remaining life in years**	**Weighted average exercise price**	**Number exercisable at year end**	**Weighted average exercise price**
$0.78 to $2.55	**480,179**	**2.95**	**$ 1.14**	**333,008**	**$ 1.14**
$2.98 to $3.41	**22,500**	**0.62**	**3.41**	**22,500**	**3.41**
$3.65 to $4.02	**17,466**	**0.18**	**3.70**	**17,466**	**3.70**
$0.78 to $4.02	**520,145**	**2.75**	**$ 1.33**	**372,974**	**$ 1.39**

April 30, 2021	Options outstanding			Options exercisable	
Range of exercise price	Number of outstanding options	Weighted average remaining life in years	Weighted average exercise price	Number exercisable at year end	Weighted average exercise price
$0.78 to $2.55	330,042	2.87	$ 1.24	177,500	$ 0.96
$2.98 to $3.41	39,378	1.01	3.24	39,378	1.29
$3.65 to $4.02	52,419	0.94	3.84	52,419	2.11
$0.78 to $4.02	421,839	2.46	$ 1.75	269,297	$ 1.35

18.4 Deferred share unit plan
The Company has a Deferred Share Unit Plan for the members of the Board of Directors and the executives. Under the plan, each director receiving Director's fees may elect to receive all or a percentage of the fees in the form of notional Class B subordinated voting shares of the Company called deferred share units ("DSU"). The issue price of each DSU is equal to the weighted average share price at which Class B subordinate voting shares of the Company were traded on the TMX during the last five-day period of the quarter prior to the DSU issue. Upon retirement from the Board, a director's DSU is redeemed for cash based on the market price of the shares at the time of redemption. The intrinsic value of vested deferred share units outstanding as at April 30, 2022 were $nil (2021 - $nil).

As at April 30, 2022, 33,596 DSUs were outstanding with a total fair value of $25 measured at the closing price of the shares at year end (2021 – 33,596 units, fair value $27).

18.5 Movements in deferred share units during the year
The following reconciles the deferred share units at the beginning and the end of the year:

	As at April 30, 2022	As at April 30, 2021
Outstanding, beginning of year	**33,596**	57,799
Forfeited/Exercised	**-**	(24,203)
Outstanding, end of year	**33,596**	33,596

18.6 Executives long-term incentive plan
The Company has a long-term incentive plan for eligible executives. Under the plan, annual grants of stock options and restricted share units ("RSU") are issued to eligible executives based on each executive's responsibilities and base salaries. The value of RSU redeemable at the end of a three-year vesting period is dependent upon the market price of the Class B subordinated voting shares of the Company and the amount of RSU held. During the year the Company issued 95,332 RSU (2021 – 458,321). As at April 30, 2022, 224,268 RSU were outstanding (2021 – 206,757).

The intrinsic value of the Company's vested RSUs outstanding as at April 30, 2022 was $35 (2021 - $56).

(in thousands of Canadian dollars, except where indicated and per share amounts)

18.7 Movements in restricted share units during the year

The following summarizes the movements in RSU during the year:

	As at April 30, 2022	As at April 30, 2021
Outstanding, beginning of year	**206,757**	225,279
Granted	**95,332**	458,321
Forfeited	**(55,605)**	(429,673)
Maturities	**(22,216)**	(47,170)
Outstanding, end of year	**224,268**	206,757

19. LOSS PER SHARE

The net loss and weighted average number of shares used in the calculation of basic and diluted loss per share are as follows:

	For the year ended April 30, 2022	For the year ended April 30, 2021
Net Loss	**$ (839)**	$ (891)
Weighted average number of shares outstanding basic	**14,380,701**	14,380,701
Dilution impact of stock options	**-**	-
Weighted average number of shares outstanding diluted	**14,380,701**	14,380,701
Basic and diluted loss per share	**$ (0.06)**	$ (0.06)

Stock options are anti-dilutive and are therefore, not included in the computation of basic and diluted loss per share for the years ended April 30, 2022 and April 30, 2021.

(in thousands of Canadian dollars, except where indicated and per share amounts)

20. SEGMENTED REPORTING

The Company's reportable segments include Furniture and Walls. In determining reportable segments, the Company looks at the shared economic characteristics. The chief decision maker, the CEO, monitors the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Additionally, the product offerings, process and production are distinct and different between the operating segments.

Aggregated in the Furniture segment are Systems, Benching, Storage and Seating. The aggregation is based on the similarity in those products' functionalities, production or procurement, process of distribution and gross margin. Walls is a separate segment due to the different nature of movable walls compared to Furniture, the production process and the installation services involved in the selling of movable walls.

The following is an analysis of the Company's revenue and results from continuing operations, capital expenditures, amortization and depreciation by reportable segments:

Segmented sales	**For the year ended April 30, 2022**	For the year ended April 30, 2021
Furniture	**$ 28,488**	$ 29,176
Walls	**10,253**	9,027
Total	**$ 38,741**	$ 38,203

Segmented loss	**For the year ended April 30, 2022**	For the year ended April 30, 2021
Furniture	**$ (10,866)**	$ (8,903)
Walls	**(3,984)**	(4,699)
	(14,850)	(13,602)
Unrealized gain on foreign exchange	**20**	377
Unrealized (loss) gain on derivatives (Note 10.2)	**(713)**	3,997
Other income (Note 23)	**1,979**	5,308
Gain on sale of property, plant and equipment	**14,609**	209
Interest expense	**(1,811)**	(6)
Loss before taxes	**(766)**	(3,717)
Income tax (expense) recovery	**(73)**	2,826
Net loss	**$ (839)**	$ (891)

Amortization and depreciation	**For the year ended April 30, 2022**	For the year ended April 30, 2021
Furniture	**$ 2,522**	$ 3,076
Walls	**341**	859
Total	**$ 2,863**	$ 3,935

Additions to property, plant and equipment and intangibles	**As at April 30, 2022**	As at April 30, 2021
Furniture	**$ 1,117**	$ 2,084
Walls	**94**	456
Total	**$ 1,211**	$ 2,540

(in thousands of Canadian dollars, except where indicated and per share amounts)

Segment assets and liabilities	**As at April 30, 2022**	As at April 30, 2021
Assets		
Furniture	**$ 48,701**	$ 35,777
Walls	**6,929**	6,195
Total assets	**$ 55,630**	$ 41,972
Liabilities		
Furniture	**$ 36,683**	$ 23,827
Walls	**4,771**	4,309
Total liabilities	**$ 41,454**	$ 28,136

The Company's revenue is based on geographical location as detailed below:

Sales from:	**For the year ended April 30, 2022**	For the year ended April 30, 2021
United States	**$ 36,835**	$ 36,156
Canada	**1,906**	2,047
Total	**$ 38,741**	$ 38,203

The Company's identifiable non-current assets (i.e. property, plant and equipment, intangibles and right-of-use assets) by geographical location are detailed below:

	As at April 30, 2022	As at April 30, 2021
United States	**$ 10,936**	$ 9,893
Canada	**9,129**	6,923
Total	**$ 20,065**	$ 16,816

(in thousands of Canadian dollars, except where indicated and per share amounts)

21. SUPPLEMENTAL INFORMATION

21.1 Revenue split by nature

	For the year ended April 30, 2022	For the year ended April 30, 2021
Included in:		
Product sales	**$ 35,669**	$ 36,028
Installation sales	**3,072**	2,175
	$ 38,741	$ 38,203

21.2 Salaries, wages and benefits

	For the year ended April 30, 2022	For the year ended April 30, 2021
Included in:		
Cost of goods sold	**$ 9,614**	$ 10,047
Selling, general and administrative	**10,865**	11,056
	$ 20,479	$ 21,103

21.3 Amortization and depreciation

	For the year ended April 30, 2022	For the year ended April 30, 2021
Included in:		
Cost of goods sold	**$ 993**	$ 1,359
Selling, general and administrative	**1,870**	2,576
	$ 2,863	$ 3,935

22. CREDIT FACILITY

On January 25, 2022, the Company repaid all amounts owing under the revolving credit facility with FrontWell Capital Partners Inc. This included payments of $9,147 and USD 5,441 ($6,911) to repay principal and accrued interest.

The facility provided credit availability of the lesser of $16,000 and availability pursuant to the Borrowing Base calculation representing accounts receivable, inventories, land and building, with a maturity date which was the earlier of (i) April 29, 2022, and (ii) the completion of the sale of certain mortgaged property, described as 70 and 67 Toll Road, Holland Landing, Ontario. The interest rate on the demand operating credit facility was Prime Rate plus 8.75% for Canadian dollar loans, US Base Rate plus 8.75% for US dollar loans.

As at April 30, 2022 the Company had no new credit agreement nor restrictive covenants.

23. GOVERNMENT ASSISTANCE

In response to the COVID-19 pandemic, the Company received a United States government unsecured forgivable loan in two tranches, with a 1.00% per annum interest rate, repayable over 24 months. Tranche 1 was forgiven as of the end of fiscal 2021.

Tranche 2 for $1,800 (US $1,390) was received during the fourth quarter of fiscal 2021. Subsequent to April 30, 2021, the Company received confirmation from U.S. Small Business Administration that its loan was forgiven.

(in thousands of Canadian dollars, except where indicated and per share amounts)

In addition, the Company applied for and received grants from the Canadian government under the Canada Emergency Wage Subsidy (“CEWS”) and Canada Emergency Rent Subsidy (“CERS”) programs. These assistance programs from the Canadian government ended on October 23, 2021.

For the twelve months ended April 30, 2022, the Company incurred CEWS qualifying expenditures of $1,626 (2021 – $2,431), of which net subsidies of $1,626 (2021 - $2,732) were received and an accrual of $nil (2021 – $301) was receivable in future periods.

	For the year ended April 30, 2022	For the year ended April 30, 2021
Other income during the period:		
Government Assistance:		
SBA forgivable loan, utilized	**$ (256)**	$ (2,774)
CEWS program subsidies recognized	**(1,626)**	(2,431)
Canadian rent subsidies recognized	**(97)**	(103)
	$ (1,979)	$ (5,308)

24. RELATED PARTY TRANSACTIONS

The following was the remuneration of directors and other members of key management personnel, including the Chief Executive Officer, Chief Financial Officer, SVP Sales and Distribution, VP Marketing & Product Design and VP Manufacturing & Supply Chain.

	For the year ended April 30, 2022	For the year ended April 30, 2021
Salaries and short-term benefits	**$ 1,987**	$ 1,691
Post-employment benefits	**4**	22
Share based compensations	**28**	62
	$ 2,019	$ 1,775

25. SUBSEQUENT EVENTS

On June 29, 2022, the Company entered into a lease termination and surrender agreement with the landlord for the premises housing the Toronto showroom (“the premises”) effective August 31, 2022, releasing the Company of all rights and obligations under the lease which was scheduled to expire on March 31, 2028. As of April 30, 2022, the carrying value of related right-of-use asset, lease liability and leasehold improvements (included with PP&E) reported in the consolidated statements of financial position, were $815, $894 and $506, respectively. Simultaneously, on June 29, 2022, the Company entered into an agreement of purchase and sale for consideration of $50 for the furniture, fixtures and equipment with carrying value of $24, located at the premises.