Condensed Consolidated Interim Financial Statements of

POLLARD BANKNOTE LIMITED

(unaudited)

Nine months ended September 30, 2015

These condensed consolidated interim financial statements have not been audited or reviewed by the Company's independent external auditors, KPMG LLP.

Pollard Banknote Limited
Condensed Consolidated Statements of Financial Position
(*In thousands of Canadian dollars*)
(unaudited)

		September 30, 2015		December 31, 2014
Assets				
Current assets				
Cash	$	6,651	$	6,287
Accounts receivable		30,117		21,930
Inventories (note 4)		22,499		24,908
Prepaid expenses and deposits		4,726		3,275
Total current assets		63,993		56,400
Non-current assets				
Property, plant and equipment		48,948		40,723
Goodwill		37,473		36,600
Intangible assets		12,642		13,292
Deferred income taxes		421		2,304
Total non-current assets		99,484		92,919
Total assets	$	163,477	$	149,319
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	$	24,381	$	21,225
Dividends payable		706		706
Income taxes payable		4,020		2,871
Foreign currency contracts		-		483
Current portion long-term debt (note 5)		1,203		902
Total current liabilities		30,310		26,187
Non-current liabilities				
Long-term debt (note 5)		72,343		68,242
Subordinated debt (note 6)		6,813		6,813
Other non-current liabilities		272		375
Pension liability		13,453		11,942
Deferred income taxes		-		1,845
Total non-current liabilities		92,881		89,217
Shareholders' equity				
Share capital		73,209		73,209
Reserves		3,698		1,456
Deficit		(36,621)		(40,750)
Total shareholders' equity		40,286		33,915
Total liabilities and shareholders' equity	$	163,477	$	149,319

See accompanying notes to condensed consolidated interim financial statements.

Pollard Banknote Limited

Condensed Consolidated Statements of Income

(*In thousands of Canadian dollars, except for share amounts*)

(unaudited)

		Three months ended September 30, 2015		Three months ended September 30, 2014		Nine months ended September 30, 2015		Nine months ended September 30, 2014
Sales	**$**	**57,890**	$	53,535	**$**	**163,788**	$	151,299
Cost of sales		**45,967**		42,408		**131,075**		119,992
Gross profit		**11,923**		11,127		**32,713**		31,307
Administration		**4,981**		4,352		**13,507**		12,379
Selling		**2,004**		1,772		**5,376**		5,135
Other income (note 7)		**(144)**		(105)		**(431)**		(177)
Income from operations		**5,082**		5,108		**14,261**		13,970
Finance costs (note 8)		**1,852**		1,970		**4,541**		4,532
Finance income (note 8)		**-**		-		**(490)**		(959)
Income before income taxes		**3,230**		3,138		**10,210**		10,397
Income taxes (note 9)		**1,351**		1,448		**3,982**		3,744
Net income	**$**	**1,879**	$	1,690	**$**	**6,228**	$	6,653
Net income per share (basic) (note 10)	**$**	**0.08**	$	0.07	**$**	**0.26**	$	0.28
Net income per share (diluted) (note 10)	**$**	**0.08**	$	0.07	**$**	**0.26**	$	0.28

See accompanying notes to condensed consolidated interim financial statements.

Pollard Banknote Limited
Condensed Consolidated Statements of Comprehensive Income
(*In thousands of Canadian dollars*)
(unaudited)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Net income	**$ 1,879**	$ 1,690	**$ 6,228**	$ 6,653
Other comprehensive income:				
Items that are or may be reclassified to profit and loss				
Foreign currency translation differences – foreign operations	**1,143**	719	**2,242**	772
Other comprehensive income	**1,143**	719	**2,242**	772
Comprehensive income	**$ 3,022**	$ 2,409	**$ 8,470**	$ 7,425

See accompanying notes to condensed consolidated interim financial statements.

Pollard Banknote Limited

Condensed Consolidated Statements of Changes in Equity

(*In thousands of Canadian dollars*)

(unaudited)

For the nine months ended September 30, 2015

		Attributable to equity holders of Pollard Banknote Limited			
		Share capital	**Translation reserve**	**Deficit**	**Total equity**
Balance at January 1, 2015	$	73,209	1,456	(40,750)	33,915
Net income		-	-	6,228	6,228
Other comprehensive income					
Foreign currency translation differences – foreign operations		-	2,242	-	2,242
Total other comprehensive income	$	-	2,242	-	2,242
Total comprehensive income	$	-	2,242	6,228	8,470
Share based compensation		-	-	20	20
Dividends to owners of Pollard Banknote Limited (note 12)		-	-	(2,119)	(2,119)
Balance at September 30, 2015	$	73,209	3,698	(36,621)	40,286

For the nine months ended September 30, 2014

		Attributable to equity holders of Pollard Banknote Limited			
		Share capital	**Translation reserve**	**Deficit**	**Total equity**
Balance at January 1, 2014	$	73,209	219	(39,788)	33,640
Net income		-	-	6,653	6,653
Other comprehensive income					
Foreign currency translation differences – foreign operations		-	772	-	772
Total other comprehensive income	$	-	772	-	772
Total comprehensive income	$	-	772	6,653	7,425
Share based compensation		-	-	23	23
Dividends to owners of Pollard Banknote Limited (note 12)		-	-	(2,119)	(2,119)
Balance at September 30, 2014	$	73,209	991	(35,231)	38,969

See accompanying notes to condensed consolidated interim financial statements.

Pollard Banknote Limited

Condensed Consolidated Statements of Cash Flows

(*In thousands of Canadian dollars*)

(unaudited)

		Nine months ended September 30, 2015		Nine months ended September 30, 2014
Cash increase (decrease)				
Operating activities				
Net income	**$**	**6,228**	$	6,653
Adjustments				
Income taxes		**3,982**		3,744
Amortization and depreciation		**6,006**		5,871
Interest expense		**2,103**		2,245
Unrealized foreign exchange loss		**2,671**		833
Loss on equity investment		**-**		167
Pension expense		**2,926**		2,052
Mark-to-market (gain) loss on foreign exchange contracts		**(483)**		51
Interest paid		**(2,156)**		(2,282)
Income tax paid		**(2,830)**		(1,650)
Pension contributions		**(1,813)**		(2,631)
Change in non-cash operating working capital (note 11)		**(3,270)**		(272)
		13,364		14,781
Investing activities				
Additions to property, plant and equipment		**(12,333)**		(14,423)
Additions to intangible assets		**(528)**		(1,227)
		(12,861)		(15,650)
Financing activities				
Net proceeds from (repayments of) long-term debt		**1,987**		(3,914)
Proceeds from long-term subordinated debt		**-**		6,813
Change in other non-current liabilities		**(150)**		58
Additions to deferred financing charges		**(336)**		(123)
Dividends paid		**(2,119)**		(2,119)
		(618)		715
Foreign exchange gain on cash held in foreign currency		**479**		53
Change in cash position		**364**		(101)
Cash position, beginning of period		**6,287**		7,774
Cash position, end of period	**$**	**6,651**	$	7,673

See accompanying notes to condensed consolidated interim financial statements.

1. Reporting entity:

Pollard Banknote Limited ("Pollard") was incorporated under the laws of Canada on March 26, 2010. The address of Pollard's registered office is 1499 Buffalo Place, Winnipeg, Manitoba, Canada, R3T 1L7.

The condensed consolidated interim financial statements of Pollard as at and for the nine months ended September 30, 2015, comprise Pollard, Pollard's subsidiaries and its interest in other entities. Pollard is primarily involved in the manufacture and sale of lottery and gaming products.

The controlling entity of Pollard is Pollard Equities Limited ("Equities"), a privately held company. Equities owns approximately 73.5% of Pollard's outstanding shares.

Pollard's consolidated financial statements as at and for the year ended December 31, 2014, are available at www.sedar.com.

The overall impact of seasonality does not have a significant impact on the operations of Pollard.

On January 1, 2015, Pollard completed an amalgamation of all its Canadian based subsidiaries, including Pollard Holdings Limited Partnership and Pollard Banknote Limited Partnership.

2. Basis of preparation:

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* and do not include all of the information required for full annual consolidated financial statements.

On November 4, 2015, Pollard's Board of Directors approved these condensed consolidated interim financial statements.

(b) Use of estimates and judgements:

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying Pollard's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2014.

2. Basis of preparation (continued):

(c) Significant accounting policies:

These condensed consolidated interim financial statements follow the same significant accounting policies as described and used in Pollard's consolidated financial statements for the year ended December 31, 2014 and should be read in conjunction with those reports.

3. Future accounting standards:

In November 2009, the IASB issued International Financial Reporting Standards ("IFRS") 9 *Financial Instruments* ("IFRS 9 (2009)") and in October 2010, the IASB published amendments to IFRS 9 ("IFRS 9 (2010)"). In December 2011, the IASB issued an amendment to IFRS 9 to defer the mandatory effective date to annual periods beginning on or after January 1, 2015. IFRS 9 (2009) uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classifications options in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities. In November 2013, a new general hedge accounting standard was issued, forming part of IFRS 9 (2013). It will more closely align with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirements to measure and recognize ineffectiveness, however it will allow more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Another revised version of IFRS 9 (2014) was issued in July 2014 mainly to include impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing fair value through other comprehensive income measurement category for certain simple debt instruments. IFRS 9 (2014) is required for fiscal years beginning on or after January 1, 2018 with early adoption available. Pollard is currently assessing the impact of the new standard on its consolidated financial statements.

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*. The new standard specifies the steps and timing for recognizing revenue, as well as requiring more informative, relevant disclosures. IFRS 15 supersedes IAS 11 *Construction Contracts* and IAS 18 *Revenue*. IFRS 15 is required for fiscal years beginning on or after January 1, 2018 with early adoption available. Pollard is currently assessing the impact of the new standard on its consolidated financial statements.

In May 2014, the IASB issued amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. The amendments prohibit the use of revenue based depreciation for property, plant and equipment and significantly limit the use of revenue based amortization for intangibles. These amendments are effective for fiscal years beginning on or after January 1, 2016. Pollard does not expect these amendments to have a material impact on its consolidated financial statements.

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

3. Future accounting standards (continued):

In May 2014, the IASB issued amendments to IAS 11 *Interests in Joint Operations*. The amendments require business combination accounting to be applied to acquisition of interest in a joint operation that constitute a business. These amendments are effective for fiscal years beginning on or after January 1, 2016, with early adoption available. Pollard is currently assessing the impact of the amendments on its consolidated financial statements.

In September 2014, the IASB issued amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective for fiscal years beginning on or after January 1, 2016, with early adoption available. Pollard is currently assessing the impact of the amendments on its consolidated financial statements.

In December 2014, the IASB issued amendments to IAS 1 *Presentation of Financial Statements.* The amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures. These amendments are effective for fiscal years beginning on or after January 1, 2016, with early adoption available. Pollard is currently assessing the impact of the amendments on its consolidated financial statements.

4. Inventories:

	September 30, 2015	December 31, 2014
Raw materials	**$ 8,522**	$ 7,602
Work-in-process	**736**	641
Finished goods	**13,241**	16,665
	$ 22,499	$ 24,908

During the third quarter of 2015 Pollard recorded inventory write-downs of $101 representing an increase in the obsolescence reserves and a reversal of previous write-downs of $8 due to changes in foreign exchange rates. During the nine months ended September 30, 2015, Pollard recorded inventory write-downs of $336 representing an increase in the obsolescence reserves and inventory write-downs of $21 due to changes in foreign exchange rates.

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

4. Inventories (continued):

During the third quarter of 2014 Pollard recorded inventory write-downs of $59 representing an increase in the obsolescence reserves and a reversal of previous write-downs of $1 due to changes in foreign exchange rates. During the nine months ended September 30, 2014, Pollard recorded inventory write-downs of $193 representing an increase in the obsolescence reserves and inventory write-downs of $98 due to changes in foreign exchange rates.

The cost of sales reflects the costs of inventory including direct material, direct labour and manufacturing overheads.

5. Long-term debt:

	September 30, 2015	December 31, 2014
Credit facility, interest of 2.70% to 3.70% payable monthly, maturing 2017	**$ 73,806**	$ 69,316
Deferred financing charges, net of amortization	**(260)**	(172)
	73,546	69,144
Less current portion	**(1,203)**	(902)
	$ 72,343	$ 68,242

Included in the total credit facility balance is a U.S. dollar loan balance of US$13,600 (December 31, 2014 - US$13,600).

Effective June 30, 2015, Pollard Banknote Limited renewed its credit facility. The credit facility provides loans of up to $71,827 for its Canadian operations, $4,211 for a term facility and US$12,000 for its U.S. subsidiaries. Borrowings under the credit facility bear interest at fixed and floating rates based on Canadian and U.S. prime bank rates, banker's acceptances or LIBOR. At September 30, 2015, the outstanding letters of guarantee drawn under the credit facility were $1,228 (December 31, 2014 - $1,106).

Under the terms and conditions of the credit facility agreement Pollard is required to maintain certain financial covenants including working capital ratios, debt to income before interest, income taxes, amortization and depreciation ("Adjusted EBITDA") ratios and certain debt service coverage ratios. As at September 30, 2015, Pollard is in compliance with all financial covenants.

As at September 30, 2015, $4,211 of the term facility remained outstanding. Repayment of the term facility commenced on June 30, 2015, in the form of quarterly principal repayments of $301 plus interest. Repayments permanently reduce the term facility commitment available.

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

5. Long-term debt (continued):

As of September 30, 2015, Pollard has unused credit facility available of $17,023 (December 31, 2014 - $17,816) and the term facility is fully drawn.

Pollard's credit facility, including the term facility, is secured by a first security interest in all of the present and after acquired property of Pollard. The facility can be prepaid without penalties. Under the terms of the agreement the facility was committed for a period, renewable June 30, 2016 ("Facility Expiry Date"). If the facility is not renewed, the loans are repayable one year after the Facility Expiry Date, except for the scheduled principal repayments on the term facility. As such, the credit facility effectively has a two year term expiring June 30, 2017.

6. Subordinated debt:

		September 30, 2015		December 31, 2014
Subordinated debt, interest of 9.00% payable quarterly, maturing 2021	**$**	**6,813**	$	6,813
	$	**6,813**	$	6,813

On April 2, 2014, Pollard's subsidiary, Pollard Holdings Limited Partnership, entered into a loan agreement with Equities for a subordinated term loan facility with a seven year term in the amount of $6,813 to assist in the purchase of a new printing press. Principal payments on the subordinated loan facility will commence the month following the later of: twenty-four months from the date of the first advance, completed on April 4, 2014, or the date of repayment in full of the additional secured term facility. Interest on the subordinated term loan facility commences with the first draw at a rate of 9%. The loan is fully subordinated to the secured credit facility. Effective January 1, 2015, Pollard Banknote Limited assumed the subordinated debt on completion of the amalgamation of the Canadian entities.

7. Other (income) expense:

		Three months ended September 30, 2015		Three months ended September 30, 2014		**Nine months ended September 30, 2015**		Nine months ended September 30, 2014
Loss on equity investment	**$**	**-**	$	-	**$**	**-**	$	167
Other		**(144)**		(105)		**(431)**		(344)
	$	**(144)**	$	(105)	**$**	**(431)**	$	(177)

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

8. Finance costs and finance income:

Finance costs:	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Foreign exchange loss	**$ 959**	$ 871	**$ 2,189**	$ 1,242
Interest	**797**	733	**2,103**	2,245
Mark-to-market loss on foreign exchange currency contracts	**-**	323	**-**	890
Amortization of deferred financing costs	**96**	43	**249**	155
	$ 1,852	$ 1,970	**$ 4,541**	$ 4,532

Finance income:	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Foreign exchange gain	**$ -**	$ -	**$ 7**	$ 120
Mark-to-market gain on foreign exchange currency contracts	**-**	-	**483**	839
	$ -	$ -	**$ 490**	$ 959

9. Income taxes:

Income tax expense:	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Current	**$ 1,636**	$ 1,184	**$ 3,893**	$ 2,914
Deferred (recovery)	**(285)**	264	**89**	830
	$ 1,351	$ 1,448	**$ 3,982**	$ 3,744

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

9. Income taxes (continued):

Reconciliation of effective tax rate:		Three months ended September 30, 2015		Three months ended September 30, 2014
Net income for the period		$ 1,879		$ 1,690
Total income taxes		1,351		1,448
Income before income taxes		$ 3,230		$ 3,138
Income tax using Pollard's domestic tax rate	26.7%	$ 864	26.7%	$ 839
Changes in expected tax rates and other non-deductible amounts	(0.0%)	(1)	1.4%	43
Effect of non-taxable items related to foreign exchange	15.1%	488	18.0%	566
	41.8%	$ 1,351	46.1%	$ 1,448

Reconciliation of effective tax rate:		Nine months ended September 30, 2015		Nine months ended September 30, 2014
Net income for the period		$ 6,228		$ 6,653
Total income taxes		3,982		3,744
Income before income taxes		$ 10,210		$ 10,397
Income tax using Pollard's domestic tax rate	26.7%	$ 2,730	26.7%	$ 2,780
Changes in expected tax rates and other non-deductible amounts	(0.7%)	(72)	2.1%	219
Effect of non-taxable items related to foreign exchange	13.0%	1,324	7.2%	745
	39.0%	$ 3,982	36.0%	$ 3,744

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

10. Net income per share:

	Three months ended September 30, 2015	Three months ended September 30, 2014
Net income attributable to shareholders for basic and diluted net income per share	**$ 1,879**	$ 1,690
Weighted average number of shares (basic)	**23,543,158**	23,543,158
Weighted average impact of share options on issue	**100,000**	100,000
Weighted average number of shares (diluted)	**23,643,158**	23,643,158
Net income per share (basic)	**$ 0.08**	$ 0.07
Net income per share (diluted)	**$ 0.08**	$ 0.07

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Net income attributable to shareholders for basic and diluted net income per share	**$ 6,228**	$ 6,653
Weighted average number of shares (basic)	**23,543,158**	23,543,158
Weighted average impact of share options on issue	**100,000**	75,092
Weighted average number of shares (diluted)	**23,643,158**	23,618,250
Net income per share (basic)	**$ 0.26**	$ 0.28
Net income per share (diluted)	**$ 0.26**	$ 0.28

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

11. Supplementary cash flow information:

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Change in non-cash operating working capital:		
Accounts receivable	**$ (7,365)**	$ (143)
Inventories	**3,356**	1,312
Prepaid expenses and deposits	**(1,578)**	(1,902)
Accounts payable and accrued liabilities	**2,317**	461
	$ (3,270)	$ (272)

12. Dividends:

Dividends are paid on the common shares within 15 days of the end of each quarter and are fully discretionary, as determined by the Board of Directors of Pollard.

On August 5, 2015, a dividend of $0.03 per share was declared, payable on October 15, 2015, to the shareholders of record on September 30, 2015.

13. Related party transactions:

During the quarter ended September 30, 2015, Pollard agreed to exercise its renewal clause on one of its Winnipeg properties leased from an affiliate of Equities. The renewal covers the period from April 2021 to September 2023 with an approximate annual lease rate of $2,400, including an annual amortization of a leasehold improvement allowance of approximately $1,000. The total leasehold allowance is expected to be $2,500 and as at September 30, 2015, approximately $1,000 had been incurred and funded by the landlord, an affiliate of Equities.

During the quarter ended September 30, 2015, Pollard paid property rent of $773 (2014 - $757) and $47 (2014 - $61) in plane charter costs to affiliates of Equities. In addition, during the quarter, Pollard paid Equities $155 (2014 – $155) of interest on Pollard's subordinated debt. During the nine months ended September 30, 2015, Pollard paid property rent of $2,313 (2014 - $2,274) and $170 (2014 - $184) in plane charter costs to affiliates of Equities. In addition, during the nine months ended September 30, 2015, Pollard paid Equities $459 (2014 – $251) of interest on Pollard's subordinated debt.

During the quarter, Equities paid Pollard $18 (2014 - $18) for accounting and administration fees and $54 (2014 - $54) during the nine months ended September 30, 2015.

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

13. Related party transactions (continued):

At September 30, 2015, included in accounts payable and accrued liabilities is an amount owing to Equities and its affiliates for rent and other expenses of $474 (December 31, 2014 - $1,155). Also included in accounts payable and accrued liabilities is an amount owing to Pollard's joint operation partner for its portion of iLottery capital expenditures and operating costs and results of $609 (December 31, 2014 - $2).

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors and the Executive Committee are considered key management personnel.

Key management personnel compensation comprised:

	Three months ended September 30, 2015	Three months ended September 30, 2014	**Nine months ended September 30, 2015**	Nine months ended September 30, 2014
Wages, salaries and benefits	**$ 730**	$ 668	**$ 1,865**	$ 1,925
Profit share	**3**	4	**8**	10
Expenses related to defined benefit plans	**116**	98	**347**	293
	$ 849	$ 770	**$ 2,220**	$ 2,228

At September 30, 2015, the Directors and Named Executive Officers of Pollard, as a group, beneficially owned or exercised control or direction over 17,428,571 common shares of Pollard.

14. Financial risk management:

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

Credit risk
Liquidity risk
Currency risk
Interest rate risk

Pollard's risk management policies are established to identify and analyze the risks, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Audit Committee oversees how management monitors compliance with Pollard's risk management policies and procedures. The Audit Committee is assisted in its oversight role by Internal Audit, who undertakes regular reviews of risk management controls and utilizes the annual risk assessment process as the basis for the annual internal audit plan.

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

14. Financial risk management (continued):

Credit risk

The following table outlines the details of the aging of Pollard's receivables and the related allowance for doubtful accounts:

		September 30, 2015		December 31, 2014
Current	**$**	**25,745**	$	17,258
Past due for 1 to 60 days		**3,622**		3,887
Past due for more than 60 days		**820**		861
Less: Allowance for doubtful accounts		**(70)**		(76)
	$	**30,117**	$	21,930

Liquidity risk

Liquidity risk is the risk that Pollard will not be able to meet its financial obligations as they fall due. Pollard's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. In addition, Pollard maintains a committed credit facility including up to $71,827 for its Canadian operations, as well as the additional term facility of $4,211 available to finance the new printing press, and up to US$12,000 for its U.S. subsidiaries. At September 30, 2015, the unused balance available for drawdown under the credit facility was $17,023, (December 31, 2014 - $17,816).

The 2015 requirements for capital expenditures, working capital and dividends are expected to be financed from cash flow provided by operating activities and the unused credit facility. Pollard enters into contractual obligations in the normal course of business operations.

Currency risk

Pollard sells a significant portion of its products and services to customers in the United States and to some international customers where sales are denominated in U.S. dollars. In addition, a significant portion of its cost inputs are denominated in U.S. dollars. Pollard also generates revenue in currencies other than the Canadian and U.S. dollar, primarily in Euros.

A 50 basis point strengthening/weakening in the foreign exchange rate between the Canadian and U.S. dollar would decrease/increase the income before income taxes due to changes in operating cashflow by approximately $11 for the third quarter of 2015 (2014 - $21) and approximately $44 for the nine months ended September 30, 2015 (2014 - $75). A 50 basis point strengthening/weakening in the foreign exchange rate between the Canadian and Euro would decrease/increase the income before income taxes due to changes in operating cashflow by approximately $10 for the third quarter

14. Financial risk management (continued):

of 2015 (2014 - $15) and approximately $33 for the nine months ended September 30, 2015 (2014 - $53).

In addition, translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. At September 30, 2015, the amount of financial liabilities denominated in U.S. dollars exceeds the amount of financial assets denominated in U.S. dollars by approximately $6,361 (December 31, 2014 - $7,936). A 50 basis point weakening/strengthening in the value of the Canadian dollar relative to the U.S. dollar would result in a decrease/increase in income before taxes of approximately $32 for the three and nine months ended September 30, 2015 (2014 - $26).

Pollard utilizes a number of strategies to mitigate its exposure to currency risk. Two manufacturing facilities are located in the U.S. and a significant amount of cost inputs for all production facilities are denominated in U.S. dollars, offsetting a large portion of the U.S. dollar revenue in a natural hedge.

Interest rate risk

Pollard is exposed to interest rate risk relating to its fixed and floating rate instruments. Fluctuation in interest rates will have an effect on the valuation and repayment of these instruments.

A 50 basis point decrease/increase in interest rates would result in an increase/decrease in income before income taxes of approximately $92 for the three months ended September 30, 2015 (2014 - $87) and approximately $277 for the nine months ended September 30, 2015 (2014 - $261).