

Management's Discussion and Analysis

Of Financial Condition and Results of Operations For the Year ended March 31, 2026

This management's discussion and analysis ("MD&A"), dated June 19, 2026, should be read in conjunction with the Land Title and Survey Authority of British Columbia ("LTSA") audited consolidated financial statements and related notes for the year ended March 31, 2026, (the "consolidated financial statements"). Unless otherwise noted, the results reported herein have been prepared in accordance with IFRS Accounting Standards ("IFRS") and are presented in thousands of Canadian dollars.

For purposes of this discussion, the LTSA refers to the Land Title and Survey Authority of British Columbia and its wholly-owned subsidiaries, LandSure Systems Limited ("LandSure") and AutoProp Software Limited ("AutoProp") and Landcor Data Corporation ("Landcor").

This report contains forward-looking statements, including statements regarding LTSA business and anticipated financial performance. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management's best judgement based on facts and assumptions that management considers reasonable. These statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated in the forward-looking statements.

Business Overview

The LTSA was formed in 2005 as a publicly accountable, statutory corporation responsible for operating the land title and survey systems in BC. These systems provide the foundation for all real property business and ownership in the province. The LTSA's services are primarily accessed electronically by legal professionals, land surveyors, certain statutory officers, realtors and other professionals who provide property-related services to their clients.

The Province of BC establishes the mandate, responsibilities and performance standards of the LTSA in the *Land Title and Survey Authority Act*, through an Operating Agreement and a Master Services Agreement with the Ministry of Finance.

LTSA operations are funded through regulated fee revenue from land title and survey services. Regulated fees are established in compliance with the Operating Agreement. Administrative fees are set by the LTSA's Board of Directors. Fees for Land Owner Transparency Registry ("LOTR") filings and Condo and Strata Assignment Integrity Register filings are set by the Board of Directors in consultation with the Ministry of Finance. Product fees for AutoProp, Landcor, Tax Certificates Online, Identity Verification and eStrataHub are market based. Consulting services provided to the Ministry of Transportation and the First Nations Lands Advisory Board are based on time incurred at contracted rates. The Property Tax Deferment service provided to the Ministry of Finance is based on an annual subscription fee.

Highlights

Total revenue for the year was \$63.2 million, \$4.4 million or 7% higher than the prior year. Revenue increased due to slightly higher transaction volumes and 3% fee increases effective April 1, 2025 as well as additional revenues from the Condo and Strata Assignment Integrity Register ("CSAIR"), Autoprop, and the First Nations Land Governance Registry ("FNLGR").

Cost of revenue was \$37.9 million which was \$3.6 million or 11% higher than the prior year driven by higher costs for the FNLGR project and higher systems sustainment costs. Our operating margin for the year was 40.1%, lower than the prior year margin of 41.7%, driven mainly by higher cost of revenue.

Total operating expenses for the year were \$25.5 million, \$4.0 million or 19% higher than the prior year. Operating expenses increased as a result of higher research and development costs from new products and technology exploration, costs incurred to build the Verified Transaction solution as well as higher policy and regulation expenses from the accelerated vault digitization project.

Net income and comprehensive income was \$6.0 million, \$2.1 million or 26% lower than the prior year. The decrease was due to an operating loss of \$0.2 million as compared to an operating income of \$3.0 million in the prior year.

We spent \$10.8 million on capital projects in the year, with \$8.4 million supporting application platform modernization work, \$0.6 million on technical equipment, and \$1.7 million on facilities improvements as well as vault reconfiguration work.

Results

The following table sets forth certain consolidated statements of operations data, as well as consolidated statements of financial position data, expressed in thousands of dollars, for the year ended March 31, 2026 and 2025.

Year ended March 31	FY2026	FY2025
Examination services	\$ 27,314	\$ 25,961
Information products and subscriptions	21,396	19,494
Service fees	14,488	13,341
Total Revenue	63,198	58,796
Cost of revenue:		
Cost of examination services	21,323	21,927
Cost of information products and subscriptions	5,888	5,405
Cost of service fees	10,674	6,947
Total cost of revenue	37,885	34,279
Gross income	25,313	24,517
Operating expenses:		
Research and development	10,448	7,596
Policy and regulation	5,770	5,092
General and administrative	9,300	8,839
Total operating expenses	25,518	21,527
Operating income (loss)	(205)	2,990
Other income (expenses):		
Lease interest	(691)	(476)
Bank charges and investment fees	(305)	(277)
Investment income	7,285	6,286
Gain (loss) on disposal of property and equipment	(38)	222
Total other income	6,251	5,755
Income before income taxes	6,046	8,745
Income tax expense	64	625
Net income and comprehensive income	\$ 5,982	\$ 8,120
	March 31, 2026	March 31, 2025
Total assets	\$164,157	\$159,032
Total liabilities	\$31,864	\$32,721
Total non-current liabilities	\$13,707	\$15,466
Total equity	\$132,293	\$126,311

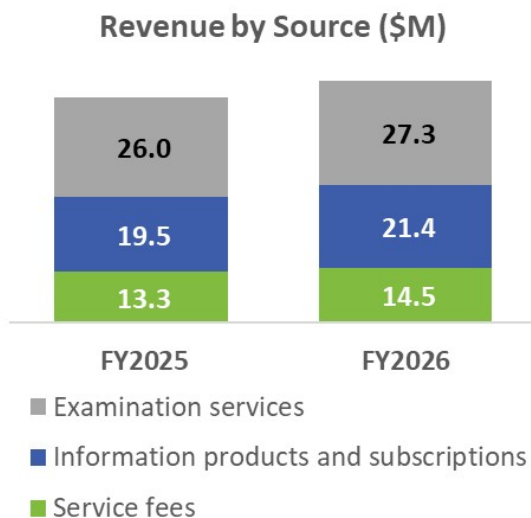
The following table sets forth certain consolidated statements of operations data expressed as a percentage of revenue for the same fiscal periods.

Year ended March 31	FY2026	FY2025
Revenue:		
Examination services	43.2%	44.1%
Information products and subscriptions	33.9%	33.2%
Service fees	22.9%	22.7%
Total Revenue	100.0%	100.0%
Cost of revenue:		
Cost of examination services	33.7%	37.3%
Cost of information products and subscriptions	9.3%	9.2%
Cost of service fees	16.9%	11.8%
Total cost of revenue	59.9%	58.3%
Gross income	40.1%	41.7%
Operating expenses:		
Research and development	16.5%	12.9%
Policy and regulation	9.1%	8.7%
General and administrative	14.7%	15.0%
Total operating expenses	40.3%	36.6%
Operating income (loss)	(0.2%)	5.1%
Other income (expenses):		
Lease interest	(1.1%)	(0.8%)
Bank charges and investment fees	(0.5%)	(0.5%)
Investment income	11.5%	10.7%
Gain (loss) on disposal of property and equipment	(0.1%)	0.4%
Total other income	9.8%	9.8%
Income and comprehensive income before income taxes	9.6%	14.9%
Income tax expense	0.1%	1.1%
Net income and comprehensive income	9.5%	13.8%

Revenue

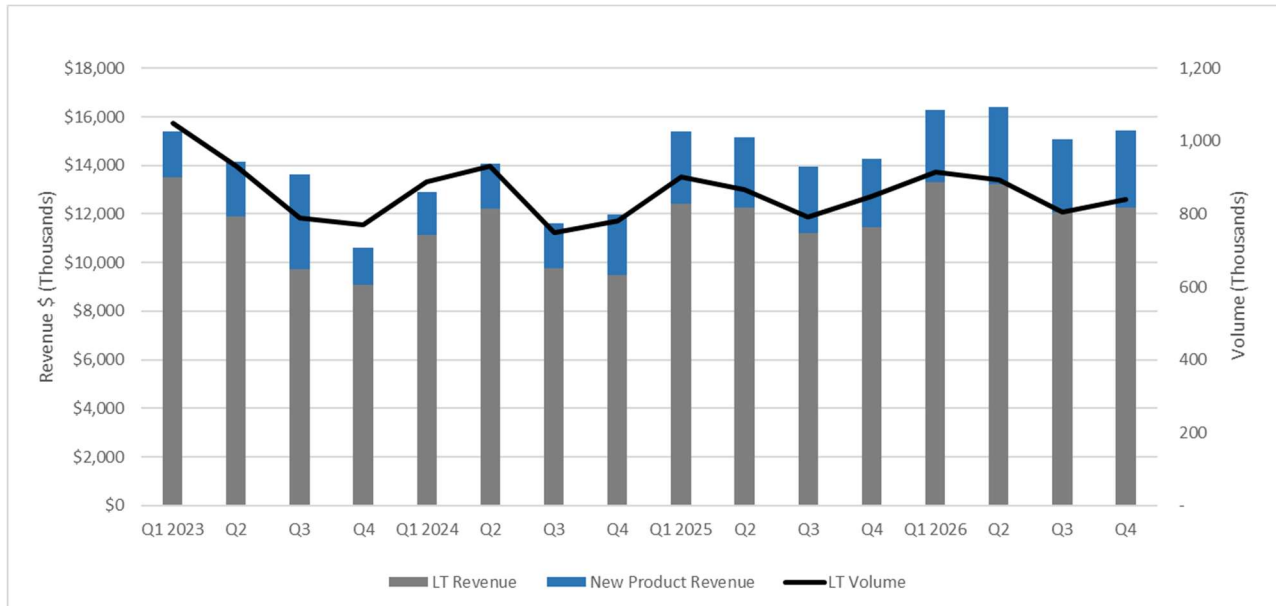
LTSA revenue sources consist of examination services to ensure that applications and plans and filings are submitted in accordance with the rules and regulations of various provincial statutes and acts; information products which include title, document and plan images, certifications, document scanning, property information consulting and subscription services, and service fees which are for electronic processing of land title and survey transactions through the myLTSA electronic portal, subscription revenue as well as consulting, software development and license fees for developing the First Nations Land Governance Registry.

Revenue by Source

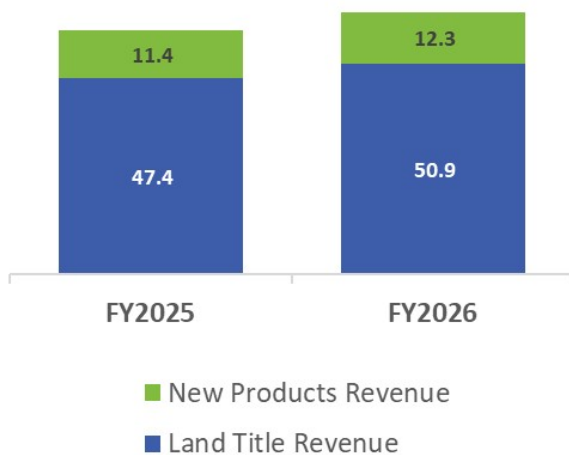


Total consolidated revenue for the year was \$63.2 million, \$4.4 million or 7% higher than last year due to slightly higher transaction volumes, 3% fee increases effective April 1, 2025 and higher service revenue from CSAIR, Autoprop, and the FNLGR project. Land title volumes were 1% higher than the prior year.

The chart below shows revenue and transaction volumes since Q1 FY2023 (April 2022). On a historical basis, the impact of seasonality can be seen with the June and September quarters normally being much busier than the fall and winter.



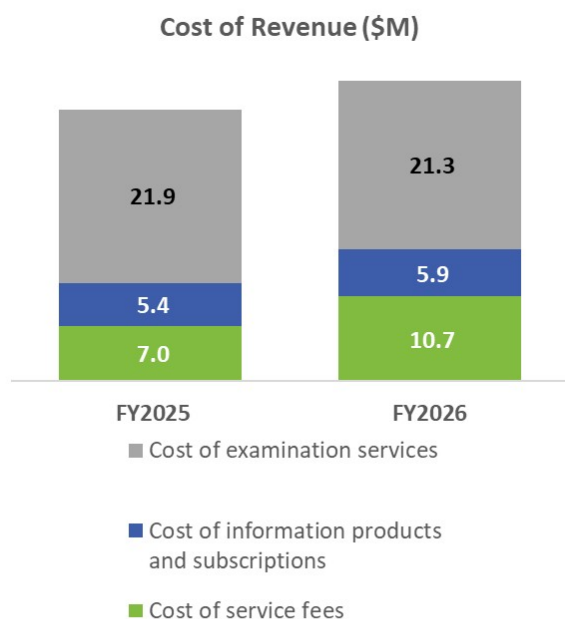
Land Title Products and New Products Revenue (\$M)



The LTSA’s strategy of developing new sources of revenue to support customers with interests in land information continues to be successful with eight new products or services launched by LTSA. The revenue from these new products also helps to reduce LTSA’s exposure to the cyclical nature of the real property market.

Total new products revenue for the year was \$12.3 million, 8% higher than the prior year and represents 19% of total revenues. New products revenues were higher as a result of higher service revenue from CSAIR, Autoprop and the FNLGR project.

Cost of Revenue



Cost of revenue was \$37.9 million, \$3.6 million or 11% higher than the prior year. The increase is due to additional costs incurred for the FNLGR project, which is supported by additional revenues as well as higher system sustainment costs.

Product sustainment costs were 16% higher than the prior year as a result of additional support costs for newly released products such as SurveyHub, as well as required work for the legacy system to allow for application platform modernization work.

Gross Income

LTSA's gross income for the year was \$25.3 million representing a 40.1% margin, lower than the prior year margin of 41.7% due to higher cost of revenue and lower margin from service fees products. The gross margin by revenue category was as follows:

Gross Margins by Revenue Type

Year ended March 31	2026	2025
Total LTSA	40.1%	41.7%
Examination services	21.9%	15.5%
Information products and subscriptions	72.5%	72.3%
Service fees	26.3%	47.9%

Examination and information services margin increased due to the 3% fee increases April 1, 2025, higher land title volumes and the associated revenue increase that was higher than cost of revenue increases. Service fees margin decreased as a result of the FNLGR project that has become a larger part of our business, which has a lower margin than our other service fees. Automated examination of applications was 66.8% in the year, higher than the prior year result of 66.6%, and the 12-month average defect rate decreased to 2.9% from 3.3% in the prior year.

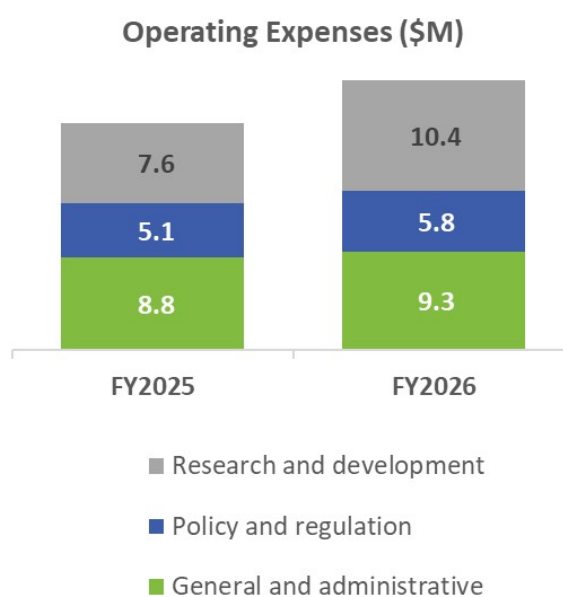
Operating Expenses

Operating expenses for the year were \$25.5 million, \$4.0 million or 19% higher than the prior year.

Research and development costs were \$10.4 million, \$2.9 million or 38% higher than the same period last year. The increase was due to higher new product and technology exploration costs as well as higher spending on the Verified Transaction project.

Policy and regulation costs of \$5.8 million were \$0.7 million or 14% higher than the prior year from additional vault digitization costs.

General and administrative expenses of \$9.3 million were \$0.5 million or 6% higher than the prior year from higher consulting fees.



Operating Expenses as a % of Revenue	2026	2025
Total Operating Expenses	40.3%	36.6%
Research and development	16.5%	12.9%
Policy and regulation	9.1%	8.7%
General and administrative	14.7%	15.0%

Other Income (Expenses)

Investment income was \$7.3 million compared to \$6.3 million in the prior year. Our investment portfolio is conservative with 70% of our investments held in fixed income securities and money market funds on March 31, 2026 and earned a rate of return of 7.6% in the year compared to 8.1% in the prior year.

Net Income and Comprehensive Income

Overall, net income and comprehensive income totaled \$6.0 million or 9.5% of revenue, \$2.1 million or 26% lower than the prior year. Net income was lower mainly as a result of a \$0.2 million operating loss as compared to a \$3.0 million operating income in the prior year.

Liquidity and Capital Resources

Sources and Uses of Cash

Cash, cash equivalents, and short-term investments balances were \$99.2 million on March 31, 2026 (March 31, 2025: \$99.6 million), of which \$0.2 million (March 31, 2025: \$0.2 million) consisted of cash collected on behalf of the Province of BC and other parties. The cash owing to these parties was remitted the following business day. The remaining \$99.0 million (March 31, 2025: \$99.4 million) represents cash, cash equivalents, and short-term investments readily available to the LTSA.

Net LTSA current liabilities (total current liabilities less funds held for customers, trade and other receivables and prepaid expenses) totaled \$9.4 million (March 31, 2025: \$9.8 million), which, when combined with the \$6.0 million (March 31, 2025: \$6.0 million) allocated to the Assurance Fund, leaves \$83.6 million (March 31, 2025: \$83.6 million) of cash available for reinvestment in LTSA's business.

Cash Flow from Operating Activities

Historically, the LTSA's primary source of cash derives from operating activities. Cash from operations for the year totaled \$8.9 million, \$4.5 million lower than the prior year due to higher cash outflows from cost of revenue and operating expenses for the year.

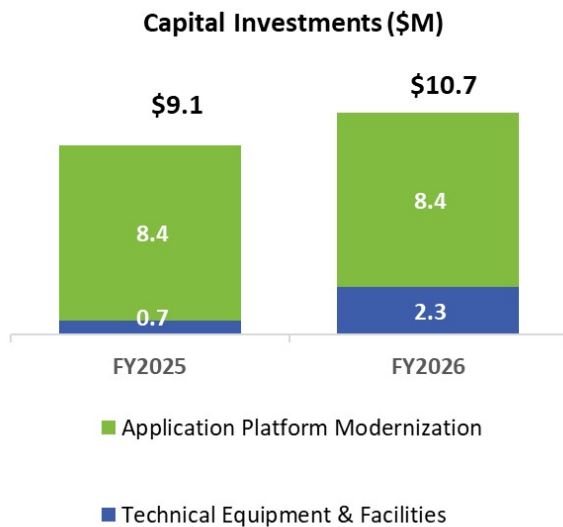
Cash Flow from Financing Activities

LTSA paid \$1.5 million for lease obligations and incurred \$0.7 million of related lease interest expenses in the year. The payment of lease obligations is slightly lower, and lease interest is slightly higher in the current year as a facility lease was renewed in the prior year at a lower monthly lease rate.

Cash Flow from Investing Activities

LTSA transfers excess cash into an investment portfolio that is governed by our investment policy. We reinvested net \$6.1 million dollars in marketable securities during the year and earned interest and dividend proceeds of \$3.5 million. Cash was also used for property and equipment purchases, facilities improvements and reinvest in software systems that will either enhance operations or provide additional service offerings to our customers. \$11.2 million was invested in property and equipment purchases and intangible asset projects in the year.

Capital Investments



The application platform modernization project, launched in April 2023, is a multi-year project to rebuild our land title systems, allowing for a more flexible and customer-centric platform. Technical equipment and facilities costs relate to renovations to our Victoria office space, which is now complete.

Assurance Fund

The Assurance Fund has remained at \$6.0 million since March 31, 2013 by resolution of the Board of Directors. The result of an independent actuarial analysis of the program in 2022, the small number of Assurance Fund claims and the availability of insurance to backstop the fund all supports the LTSA's belief that this continues to be an appropriate fund balance. The fund is assessed on an annual basis and adjusted to reflect changing market conditions as well as transaction volumes. An independent actuarial analysis of the fund balance is performed every five years, with the next review scheduled for 2027.

Off-Balance Sheet Arrangements

The LTSA has no off-balance sheet arrangements.

Outlook

We continue to investigate growth and new product opportunities and are moving forward with work building the Verified Transaction solution, which is intended to increase the security and data around real estate transactions. This year, LTSA developed and piloted two new services related to Verified Transaction. The first is a digital credential for lawyers that can be used to digitally sign land title applications. This service has been developed in partnership with Connected Services BC, an initiative within BC's Ministry of Citizen Services, and the Law Society of British Columbia. The second is BC Property Connect, a new service that provides property owners with a secure digital connection to information about their property, including property alerts for any changes to title. We have also increased our work with the First Nations Lands Advisory Board through designing and building a First Nations Land Governance Registry, as well as providing guidance and assistance to the First Nations Lands Advisory Board in setting up the required infrastructure to maintain the registry once completed. In addition, LTSA has committed a historic investment of over \$26 million to accelerate digitization of records and to create a digital vault. This initiative will help ensure the records are protected and accessible to future generations. Digitized records improve access while reducing the need for physical handling, thereby contributing to preservation. We intend to continue to investigate and develop potential new service offerings in fiscal 2026-2027 and beyond, either through internal development or through looking at external opportunities. Our investment in R-LABS also allows us to investigate and evaluate new early-stage companies that may have offerings that would be beneficial to our stakeholders.

We have continued the multi-year application platform modernization project, which will result in a modern real property platform, providing delivery of more adaptable and extendable systems that will improve the customer experience by integrating capabilities and making systems easier to use. The platform will be flexible to customers' needs and will offer a range of services dependent on customer type. A number of modules relating to the application modernization project have gone live in the year, including adding multi-factor authentication and a new customer portal.

Land title volumes were slightly lower than the prior year in the fourth quarter, and also in the first few months subsequent to our fiscal year end, as the BC economy and real estate market have been negatively affected by geopolitical events. We expect volumes to modestly increase in the second and third quarters, should bond yields and mortgage interest rates moderate with easing of inflationary concerns.

Risk and Uncertainty

Critical Accounting Estimates

LTSA's financial statements are prepared in accordance with IFRS. These accounting principles require management to make certain estimates, assumptions and judgements. Management believes that these estimates, assumptions and judgements upon which we rely are reasonable based upon information available to us at the time. The estimates, assumptions and judgements made can affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are material differences between these estimates and actual results, the financial statements of the LTSA would be affected.

Public Service Pension Plan

LTSA employees are members of the Public Service Pension Plan (the "Plan"), a defined benefit, multi-employer pension plan. The most recent Plan valuation, as at March 31, 2023, indicated a funding surplus of \$4.5 billion in the Basic Account. The next plan valuation will be assessed at March 31, 2026 with results available in early 2027.

LandSure Systems are members of a group registered retirement savings plan to which the company contributes.

Impairment of Long-Lived Assets and Goodwill

The LTSA regularly reviews the carrying value of property, equipment, intangible assets and goodwill, and continually makes estimates regarding future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the LTSA may be required to record impairment charges for these assets.

Please refer to the consolidated financial statements which contain additional information regarding our accounting policies and other disclosures required under IFRS.

Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

**LAND TITLE AND SURVEY AUTHORITY
OF BRITISH COLUMBIA**

Year ended March 31, 2026

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

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KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

INDEPENDENT AUDITOR'S REPORT

To the Directors of the Land Title and Survey Authority of British Columbia

Opinion

We have audited the consolidated financial statements of the Land Title and Survey Authority of British Columbia (the "Entity"), which comprise:

- the consolidated statement of financial position as at March 31, 2026
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policies

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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.

Other Information

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

- the information included in Management's Discussion and Analysis
- the information included in the Annual Report



Land Title and Survey Authority of British Columbia

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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis and the Annual Report as at 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 the Auditor's report.

We have nothing to report in this regard.

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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



Land Title and Survey Authority of British Columbia

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 Entity'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 Entity'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 Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
June 19, 2026

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statement of Financial Position
(Expressed in thousands of Canadian dollars)

Year ended March 31, 2026, with comparative information for 2025

	Note	2026	2025
Assets			
Current assets:			
Cash and cash equivalents	7	\$ 9,866	\$ 17,022
Investments	3	89,351	82,617
Funds held for customers		4,794	4,743
Trade and other receivables		2,133	1,031
Prepaid expenses		1,839	1,703
		107,983	107,116
Assets held for sale	18	2,761	-
Total current assets		110,744	107,116
Property and equipment	8	17,734	17,991
Intangible assets	9	30,255	28,851
Long-term investments	3	3,514	3,164
Goodwill	10	1,910	1,910
Total non-current assets		53,413	51,916
Total assets		\$ 164,157	\$ 159,032
Liabilities and Equity			
Current liabilities:			
Trade and other payables		\$ 3,531	\$ 3,026
Customer deposits held		4,794	4,743
Provisions	11	861	766
Employee benefits	12	5,395	5,279
Contract liabilities	13	1,653	1,976
Current lease liabilities	15	1,318	1,465
		17,552	17,255
Liabilities held for sale	18	605	-
Total current liabilities		18,157	17,255
Deferred tax liabilities	14	250	250
Contract liabilities	13	-	544
Lease liabilities	15	13,457	14,672
Total non-current liabilities		13,707	15,466
Total liabilities		31,864	32,721
Equity:			
Retained earnings		132,293	126,311
Total liabilities and equity		\$ 164,157	\$ 159,032

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:


Director


Director

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statement of Comprehensive Income
(Expressed in thousands of Canadian dollars)

Year ended March 31, 2026, with comparative information for 2025

	Note	2026	2025
Revenue:			
Examination services		\$ 27,314	\$ 25,961
Information products and subscriptions		21,396	19,494
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Operating expenses:			
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Research and development		10,448	7,596
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Total operating expenses		25,518	21,527
Operating income (loss)		(205)	2,990
Other income (expenses):			
Lease interest		(691)	(476)
Bank charges and investment fees		(305)	(277)
Investment income	6	7,285	6,286
Gain (loss) on disposal of property and equipment		(38)	222
Total other income		6,251	5,755
Income before income taxes		6,046	8,745
Income tax expense (recovery):			
	14		
Current		63	1,176
Deferred		1	(551)
Total income tax expenses		64	625
Net income and comprehensive income		\$ 5,982	\$ 8,120

See accompanying notes to the consolidated financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statement of Changes in Equity
(Expressed in thousands of Canadian dollars)

Year ended March 31, 2026, with comparative information for 2025

	Unappropriated retained earnings	Assurance fund reserve (note 16)	Total retained earnings
Balance, March 31, 2024	\$ 112,191	\$ 6,000	\$ 118,191
Net income and comprehensive income	8,120	-	8,120
Balance, March 31, 2025	120,311	6,000	126,311
Net income and comprehensive income	5,982	-	5,982
Balance, March 31, 2026	\$ 126,293	\$ 6,000	\$ 132,293

See accompanying notes to the consolidated financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statement of Cash Flows
(Expressed in thousands of Canadian dollars)

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash flow from operating activities:		
Cash received for:		
Fees	\$ 60,650	\$ 58,141
Fees collected on behalf of the Province of BC	36,756	35,892
Fees collected on behalf of other parties	19,793	19,618
Interest	624	1,006
	117,823	114,657
Cash paid for:		
Salaries and benefits	(29,169)	(27,035)
Goods and services	(20,143)	(17,440)
Sales and income taxes	(3,038)	(1,311)
Fees submitted to the Province of BC	(36,788)	(35,899)
Fees submitted to other parties	(19,805)	(19,610)
	(108,943)	(101,295)
Total cash flow from operating activities	8,880	13,362
Cash flow from financing activities:		
Repayment of lease liabilities	(1,469)	(1,872)
Lease interest	(691)	(476)
Total cash flow from financing activities	(2,160)	(2,348)
Cash flow from investing activities:		
Purchase of investments	(23,911)	(25,489)
Proceeds from sale or maturity of investments	17,794	22,273
Interest and dividends received	3,466	3,406
Purchase of property and equipment, net	(2,584)	(395)
Purchase of intangible assets	(8,641)	(9,137)
Total cash flow from investing activities	(13,876)	(9,342)
Net increase (decrease) in cash and cash equivalents	(7,156)	1,672
Cash and cash equivalents, beginning of year	17,022	15,350
Cash and cash equivalents, end of year	\$ 9,866	\$ 17,022

See accompanying notes to the consolidated financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

1. Nature of operations:

The Land Title and Survey Authority of British Columbia (the "LTSA") is an independent, not-for-profit corporation without share capital. It is established under the *Land Title and Survey Authority Act* and has responsibility for managing, operating and maintaining British Columbia's land title and land survey systems. Our corporate head office is located at Suite 210, 1321 Blanshard Street, Victoria, British Columbia.

The LTSA's primary customers are legal professionals, land surveyors, certain statutory officers and other professionals who act on behalf of those who have an interest in conducting land-related transactions. Other stakeholders include all levels of government and First Nations, real estate professionals, financial institutions, historians, registry agents and other organizations, and the general public.

The LTSA operates independently from the provincial government, but must meet obligations and targets that the provincial government has established for it both in legislation and in a written Operating Agreement. The Operating Agreement has a term of 60 years beginning in 2005, with the provision to renegotiate the revenue arrangement between the province and the LTSA every 10 years. The last operating review was performed in 2025.

2. Material accounting policies:

(a) Basis of presentation and statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"). The consolidated financial statements were authorized for issue on June 19, 2026, by the LTSA's Board of Directors.

(b) Basis of consolidation:

The financial statements have been prepared on a consolidated basis which includes the assets, liabilities, revenues and expenses of the LTSA and its wholly-owned subsidiaries, LandSure Systems Limited ("LandSure") and Autoprop Software Limited ("Autoprop"), and Landcor Data Corporation ("Landcor"), hereinafter collectively referred to as the "LTSA". All significant inter-company transactions and balances have been eliminated upon consolidation.

(c) Functional currency:

The consolidated financial statements are presented in thousands of Canadian dollars, which is also the functional currency of the LTSA.

Transactions denominated in foreign currencies have been translated and presented into Canadian dollars at the approximate rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the year-end exchange rate. Exchange gains and losses are included in the statement of comprehensive income.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(d) Estimates and judgements:

When preparing the consolidated financial statements, management makes a number of judgements, estimates and assumptions that affect the amounts recognized in the financial statements. These estimates and the underlying assumptions are reviewed continuously on the basis of past experience and other factors considered reasonable in the circumstances.

Significant estimates relate to:

Fair value of financial instruments:

The fair value of financial instruments is estimated using period-end market rates or observable market transactions for similar instruments. Actual market transactions may be more volatile and therefore the actual realized value may differ from management's estimates.

Useful lives of and impairment of property, equipment and intangible assets:

Management assesses indicators of impairment at each reporting date and performs a quantitative impairment test for goodwill at least annually or whenever events or circumstances indicate the carrying amount may not be recoverable. The assessment of potential impairment requires assumptions about the amount and timing of future cash flows and selection of appropriate discount rates.

Capitalization of development costs as intangible assets:

The LTSA applies judgement to determine expenditures eligible for capitalization and considers the future economic benefits of these expenditures in making this assessment. The allocation of costs between the research and development or capitalization phases of technology projects involves judgement and impacts the amounts capitalized as intangible assets.

Provisions:

Individual Assurance Fund and other legal claims are examined to determine whether a liability has been created. Assessing the likelihood that a particular claim has resulted in the creation of an obligation and estimating the amount of any such obligation is inherently uncertain.

(e) Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. The LTSA considers all highly liquid financial assets purchased with a maturity at inception of three months or less to be cash equivalents.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(f) Property and equipment:

Property and equipment are measured at cost less accumulated amortization and impairment losses. Cost includes the purchase price and any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Asset residual values and amortization rates are reviewed at each reporting date. Amortization is calculated using the straight-line method over the estimated useful lives of the assets, which range from four to eight years as follows:

	Years
Office furniture and equipment	8
Vault storage systems	8
Technical equipment	4

Leasehold improvements are amortized over the lesser of the useful life of the leasehold improvement or the lease term, which includes renewal periods if renewal is reasonably assured. Residual values and useful lives are reviewed at each reporting date. Subsequent leasehold expenditures are capitalized at the time of expenditure if it is determined that there will be future economic benefits to the LTSA.

(g) Intangible assets:

Intangible assets are measured at cost less accumulated amortization and impairment losses. Amortization for intangible assets is calculated using the straight-line method over the estimated useful lives of the assets. Residual values and useful lives are reviewed at each reporting date.

	Years
Acquired software	4
Internally-developed software	6
Internally-developed cadastral fabric	15

Acquired software:

Acquired computer software is capitalized on the basis of the costs incurred to acquire and install the specific software.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(g) Intangible assets (continued):

Internally-developed software and cadastral fabric:

The LTSA develops software and cadastral fabric for internal use. Costs that relate to the conceptual formulation and design of internally-developed software and cadastral fabric prior to establishing technological feasibility or at the beginning of the application development stage are expensed in the period incurred. Direct costs attributable to the software and cadastral fabric under development are capitalized after technological feasibility is established and up until the software and cadastral fabric are available for use. Costs to support or service internally-developed software and cadastral fabric are expensed in the period incurred. Amortization commences when an asset is available for use. Research and development costs are expensed in the period incurred.

(h) Impairment of property and equipment and intangible assets:

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows from continuing use which are defined as cash-generating units. At each reporting date, the LTSA reviews the carrying amounts of property and equipment and intangible assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

When indicators of impairment are identified, the impairment charged to the statement of comprehensive income is management's estimate of the excess of the carrying value over the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use.

Impairment losses are evaluated for potential reversals when events or changes warrant such consideration. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized. A reversal of impairment is recognized in the statement of comprehensive income.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(i) Business combinations:

Business combinations are accounted for using the acquisition method. The purchase price is determined based on the fair value of the consideration transferred measured at the acquisition date. The LTSA allocates the aggregate of the fair value of the purchase consideration transferred to the tangible and intangible assets acquired and the liabilities assumed on the basis of their fair values at the date of acquisition, with any excess recorded as goodwill. The fair value determinations require judgement and may involve the use of significant estimates and assumptions, especially with respect to intangible assets and contingent liabilities. The purchase price allocation may be provisional during a measurement period of up to one year to provide reasonable time to obtain the information necessary to identify and measure the assets acquired and liabilities assumed. Any such measurement period adjustments are retrospectively recognized to the assets and liabilities assumed, with the corresponding offset to goodwill, in the period in which the adjustment amounts are determined. Acquisition-related costs are expensed as incurred.

(j) Goodwill:

Goodwill represents the excess of the purchase price of an acquired business over the fair value assigned to assets acquired and liabilities assumed in a business combination. Goodwill is measured at cost less any accumulated impairment losses and is reviewed for impairment annually or more frequently if impairment indicators arise.

The impairment test methodology is based on a comparison between the higher of fair value less costs to sell and value-in-use of the LTSA's cash generating unit ("CGU") and the net asset carrying values, including goodwill, of the LTSA's CGU. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount.

(k) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs of disposal ("FVLCD"). Any excess of carrying value over FVLCD is recognized as an impairment loss. An impairment loss on a disposal group is allocated first to goodwill, if any, and then to the remaining non-current assets on a pro rata basis. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in the Statement of Comprehensive Income.

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

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(l) Provisions:

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

(m) Employee benefits:

Employee benefits, including employee leave entitlement and short-term termination benefits are measured at the undiscounted amount that the LTSA expects to pay to discharge the liability.

The LTSA also contributes through its payroll system for specific health care and other short-term benefits as provided for under the collective agreement with unionized employees and terms and conditions of employment for excluded employees.

(n) Post-employment benefits:

Public service pension plan:

The LTSA and some of its employees contribute to the Public Service Pension Plan (“PSPP”), a jointly trustee pension plan overseen by The Public Service Pension Board of Trustees.

Every three years an actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary’s calculated contribution rate is based on the entry-age normal cost method. This method produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted for the amortization of any funding surplus or deficit.

The latest actuarial valuation as at March 31, 2023 indicated a funding surplus of \$4.5 billion for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in early 2027.

Due to insufficient information relating to the LTSA’s share of the plan’s assets and liabilities, the LTSA accounts for the plan as if it were a defined contribution plan. The LTSA’s annual cost is represented by contributions required for the respective year, and obligations for contributions to the plan are expensed as the related service is provided.

LandSure retirement benefit:

LandSure contributes to a group registered retirement savings plan. These contributions are recognized as an expense in the period that the contributions are paid.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(o) Lease liability:

At inception of a contract, the LTSA assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, for contracts that contain a lease, the LTSA recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use 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, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment and intangible assets. In addition, the right-of-use asset is assessed for impairment losses, should a trigger be identified and adjusted for impairment if required. Lease terms range up to 15 years for office premises and equipment and right of use assets have been recognized within Property and Equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the LTSA's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the LTSA's estimate of the amount expected to be payable under a residual value guarantee or if the LTSA changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. In determining the lease term, the LTSA considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed upon a trigger by an event or a significant change in circumstances.

Certain leases contain non-lease components, excluded from the right-of-use asset and lease liability, related to operating charges. The LTSA has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The LTSA recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(p) Revenue recognition:

The LTSA provides examination services, information products and subscriptions, and service fees. While customers may purchase multiple products in one transaction, each of these products or services have been determined to be distinct performance obligations. The services are provided based upon contracts with customers that include fixed or determinable prices and are based upon published rates. Contract terms do not include the provision of post-service obligations. The LTSA recognizes the amount of revenue to which it expects to be entitled for the transfer of promised services or products to customers. Revenue is measured based on the consideration specified in a contract with a customer on either an “over time” as services are provided or “point in time” basis.

Examination services:

The LTSA provides examination services to ensure that applications and plans are submitted in accordance with the rules and regulations as defined by various provincial statutes and acts. Recognition of revenue occurs on the day the transaction is completed as we consider registration as a distinct performance obligation. Transactions which are in progress and not yet completed at the reporting date are recorded as contract liabilities, as payment has been received. Examination services revenue is recognized using the “point in time” method.

The LTSA is responsible for operating the Land Owner Transparency Registry (“LOTR”), which is governed by various provincial statutes and acts. Revenue from LOTR filings is recognized at a point in time when the performance obligation is satisfied, which is when individuals have submitted and electronically filed their report or declaration. This occurs concurrently with receipt of payment.

Information products and subscriptions:

The LTSA provides information products such as title searches, document and plan images, title certificates and document copies. Revenue is recognized at the time a customer receives the information product as we consider the transfer of the product as a distinct performance obligation. This revenue is recognized using the “point in time” method.

The LTSA also provides subscription services for parcel activity and property information. Subscription fee revenue is recognized proportionately over the subscription period with the outstanding balance recorded as contract liabilities. Unrecognized revenue is recognized immediately upon early cancellation of a subscription. Subscription fee revenue is recognized using the “over time” method.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(p) Revenue recognition (continued):

Service fees:

The LTSA provides electronic processing services of land title and survey transactions through its electronic portal. Revenue is recognized at the time the customer either submits an application or plan, or receives an information product, as we consider this to be when the distinct performance obligation is satisfied. Service fees revenue is recognized using the “point in time” method. The LTSA also provides consulting services which are billed based on time incurred at contracted rates. Software license fees charged to customers are recorded based on costs incurred to date over the total estimated costs to complete the project.

(q) Taxes:

The LTSA is a “Tax Exempt Corporation” as described in the *Income Tax Act* and as such, is exempt from federal and provincial income taxes. The operations of its subsidiaries, LandSure, Autoprop, and Landcor, are subject to income tax.

For LandSure, Autoprop, and Landcor, deferred tax assets and liabilities are recognized on temporary differences between the tax basis of assets and liabilities and their respective carrying amounts. These deferred tax assets and liabilities are measured using substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Deferred tax assets are recognized only to the extent it is considered probable that future taxable profit will be available against which the benefits of deductible temporary differences and available tax loss carry forwards can be utilized.

The provision of registration services is an exempt supply under the *Excise Tax Act* for Goods and Services Tax (“GST”) purposes, where registration services include both examination services and information products. Service fees and subscription services to access property databases are subject to GST. Subscription services to access property databases are also subject to Provincial Sales Tax.

(r) Investment tax credits:

LandSure receives payments from the Government of Canada as investment tax credits for scientific research and experimental development expenditures. The benefits of investment tax credits are recognized in the year the qualifying expenditure is made providing there is reasonable assurance of recoverability. The LTSA records the investment tax credits based on its estimates of amounts expected to be recovered as reductions to research and development expenditures.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(s) Financial instruments:

Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the LTSA becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the LTSA changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

-it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the LTSA may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Losses from financial instruments measured at FVTPL include all realized and unrealized fair value changes.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(s) Financial instruments (continued):

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of comprehensive income.

Measurement of fair values:

A number of the LTSA's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the LTSA uses observable market data where such data exists. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The LTSA recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(s) Financial instruments (continued):

Derecognition

Financial assets

The LTSA derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - The LTSA neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The LTSA enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The LTSA derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The LTSA also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(t) Funds held for customers:

The funds held for customers are comprised of cash transferred by customers to the LTSA and held in trust.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

2. Material accounting policies (continued):

(u) New accounting standard:

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into three defined categories of operating, investing, and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. The LTSA is currently in the process of assessing the impact of this new standard.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

3. Financial risk management:

The following tables present the financial instruments recorded at fair value in the consolidated statements of financial position classified using the fair value hierarchy:

Financial assets	Level 1	Level 2	Level 3	March 31, 2026
Investments:				
Pooled equity funds	\$ 27,341	\$ -	\$ -	\$ 27,341
Bonds	-	62,010	-	62,010
	27,341	62,010	-	89,351
Long-term investments	-	3,514	-	3,514
	\$ 27,341	\$ 65,524	\$ -	\$ 92,865

Financial assets	Level 1	Level 2	Level 3	March 31, 2025
Investments:				
Pooled equity funds	\$ 24,073	\$ -	\$ -	\$ 24,073
Bonds	-	58,544	-	58,544
	24,073	58,544	-	82,617
Long-term investments	-	3,164	-	3,164
	\$ 24,073	\$ 61,708	\$ -	\$ 85,781

During the year, no transfers occurred between levels.

Pooled equity funds are traded on an over-the-counter market and are valued at their closing bid price on the valuation date. Where a bid price is not available, they are valued at the closing sale price on the valuation date. Short-term notes and bonds which have quoted prices available but are not traded in an active market have been classified as Level 2 in the fair value hierarchy.

The long-term investments are comprised of an equity investment in a real estate venture builder partnership, as well as an equity investment in a building and development software company by LandSure. The investments have been classified as Level 2 investments in the fair value hierarchy. The investment in the real estate venture builder is valued using the fair value of the net assets. LandSure intends to hold these investments for an indeterminate period.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

3. Financial risk management (continued):

Due to their short-term nature, the carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value: cash and cash equivalents, funds held for customers, trade and other receivables, trade and other payables and other liabilities and provisions. These financial assets and liabilities are measured at amortized cost in the consolidated financial statements.

The LTSA's Board of Directors has overall responsibility for the establishment and oversight of the LTSA's risk management framework.

The LTSA's risk management policies are established to identify and analyse the risks faced by the LTSA, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the LTSA's activities.

Liquidity risk:

Liquidity risk is the risk that the LTSA will not be able to meet its obligations as they fall due. The LTSA manages its liquidity risk through cash management including monitoring its investment portfolio.

The LTSA has access at March 31, 2026 to a \$2.0 million (2025 – \$2.0 million) revolving unsecured line of credit with interest at the bank's prime rate less 0.5% payable monthly. There were no borrowings under the line of credit at March 31, 2026 (2025 - nil).

Market risk:

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

The LTSA's investments are exposed to changing market conditions. The LTSA manages the market risk associated with these changing conditions by establishing and monitoring asset allocation strategies and by diversifying investments within the various asset classes.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Year ended March 31, 2026

3. Financial risk management (continued):

Credit risk:

Credit risk relates to cash and cash equivalents, trade and other receivables and investments and arises from the possibility that a counterparty to an instrument may fail to perform.

The LTSA invests cash that is not immediately required for operations for periods of up to five years in fixed income investment grade securities with ratings of BBB or higher for bonds and short-term instruments. Accordingly, minimal credit risk exists with respect to these investments.

As at March 31, 2026, the LTSA's maximum exposure to credit risk was the carrying value of cash and cash equivalents, funds held for customers, trade and other receivables and investments.

The following shows the percentage of fixed income holdings in the LTSA's investment portfolio by short-term credit rating:

	2026	2025
AAA	26.2%	25.2%
AA	24.9%	23.1%
A	35.7%	37.4%
BBB	13.2%	14.3%
	100.0%	100.0%

The LTSA has no off-balance sheet concentrations of credit risk, such as foreign exchange contracts, option contracts or hedging arrangements.

Interest rate risk:

Interest rate risk relates to the possibility that the fair value of cash flows associated with the LTSA's investments will change due to future fluctuations in market interest rates.

A 1% increase in interest rates would result in a \$1,322 decrease (2025 - \$1,504) in the fair value of the outstanding bonds. The short-term notes have significantly shorter duration and accordingly are not subject to significant changes in fair market value as a result of interest rate fluctuations.

Investments:

The outstanding bonds have a weighted average interest rate of 3.2% (2025 – 3.0%) and a weighted average term to maturity of 823 days (2025 – 1,007 days).

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

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Year ended March 31, 2026

4. Capital management:

The LTSA's financial strategy is designed to maintain a flexible capital structure to respond to changes in economic conditions and capital investment opportunities.

The LTSA's objectives, when managing capital, are to maintain an Assurance Fund cash reserve sufficient to cover expected claims against the fund at a greater than 95% statistical confidence level and to maintain a contingency cash reserve of at least 50% of annual cash operating costs. In the definition of capital, the LTSA includes equity and long-term debt. There has been no change in the capital management policy since the prior year.

5. Expenses:

The LTSA has determined presentation of expenses by function within the Statement of Comprehensive Income provides the most relevant information to the financial statement users. Expenses by nature, as required by IFRS, are outlined below:

	2026	2025
Expenses by nature:		
Salaries and benefits	\$ 29,747	\$ 27,334
Information services	9,100	7,607
Office and business expenses	3,651	3,372
Building occupancy	1,463	1,536
Professional fees	9,788	6,011
Amortization of assets	9,654	9,946
	\$ 63,403	\$ 55,806
Expenses per Statement of Comprehensive Income:		
Cost of revenue	\$ 37,885	\$ 34,279
Operating expenses	25,518	21,527
	\$ 63,403	\$ 55,806

6. Investment income:

The LTSA's investment income is comprised as follows:

	2026	2025
Interest and dividend income	\$ 4,062	\$ 4,390
Change in fair value of investments	2,460	2,253
Change in fair value of long-term investments (unrealized)	-	(1,336)
Gain on disposal of investments	763	979
	\$ 7,285	\$ 6,286

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7. Cash and cash equivalents:

	2026	2025
Cash in bank and on hand	\$ 9,866	\$ 17,022

Included in cash in bank and on hand are fees payable to the Province of British Columbia of \$172 (2025 - \$204) and other fees payable of \$62 (2025 - \$73).

Under the terms of the Operating Agreement with the Province of British Columbia, the province's share of fees is collected on behalf of the province and must be remitted within one business day of collection. These amounts payable to the province are included in trade and other payables.

8. Property and equipment:

	Vault storage systems	Technical equipment	Office furniture and equipment	Leasehold improvements	Right of use asset	Total
Cost:						
Balance, March 31, 2024	\$ 1,240	\$ 3,505	\$ 2,728	\$ 9,104	\$ 17,273	\$ 33,850
Additions	8	314	44	288	8,220	8,874
Disposals	-	(119)	(72)	-	(514)	(705)
Balance, March 31, 2025	1,248	3,700	2,700	9,392	24,979	42,019
Additions	4	455	151	1,724	73	2,407
Disposals	-	(254)	(175)	(868)	-	(1,297)
Balance, March 31, 2026	\$ 1,252	\$ 3,901	\$ 2,676	\$ 10,248	\$ 25,052	\$ 43,129
Amortization:						
Balance, March 31, 2024	\$ (829)	\$ (2,782)	\$ (2,126)	\$ (6,589)	\$ (8,893)	\$ (21,219)
Amortization	(112)	(357)	(197)	(674)	(1,636)	(2,976)
Disposals	-	119	48	-	-	167
Balance, March 31, 2025	(941)	(3,020)	(2,275)	(7,263)	(10,529)	(24,028)
Amortization	(110)	(374)	(171)	(475)	(1,487)	(2,617)
Disposals	-	253	129	868	-	1,250
Balance, March 31, 2026	\$ (1,051)	\$ (3,141)	\$ (2,317)	\$ (6,870)	\$ (12,016)	\$ (25,395)
Net book value:						
March 31, 2025	\$ 307	\$ 680	\$ 425	\$ 2,129	\$ 14,450	\$ 17,991
March 31, 2026	\$ 201	\$ 760	\$ 359	\$ 3,378	\$ 13,036	\$ 17,734

There were \$nil (2025 - \$253) in non-cash leasehold improvements and technical equipment additions and \$106 in non-cash right of use additions (2025- \$8,220) in 2026.

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9. Intangible assets:

	Software systems	Software systems under development	Cadastral fabric	Total
Cost:				
Balance, March 31, 2024	\$ 71,473	\$ 7,206	\$ 10,554	\$ 89,233
Additions	863	7,537	-	8,400
Transfers	9,921	(9,921)	-	-
Balance, March 31, 2025	82,257	4,822	10,554	97,633
Additions	-	8,438	-	8,438
Transfers	2,805	(2,805)	-	-
Balance, March 31, 2026	\$ 85,062	\$ 10,455	\$ 10,554	\$ 106,071
Amortization:				
Balance, March 31, 2024	\$ (56,552)	\$ -	\$ (5,260)	\$ (61,812)
Amortization	(6,270)	-	(700)	(6,970)
Balance, March 31, 2025	(62,822)	-	(5,960)	(68,782)
Amortization	(6,334)	-	(700)	(7,034)
Balance, March 31, 2026	\$ (69,156)	\$ -	\$ (6,660)	\$ (75,816)
Net book value:				
March 31, 2025	\$ 19,435	\$ 4,822	\$ 4,594	\$ 28,851
March 31, 2026	\$ 15,906	\$ 10,455	\$ 3,894	\$ 30,255

Intangible asset additions are internally generated and include payments to third party software developers. Software systems under development are primarily costs to modernize our application platform, including strengthening existing technology infrastructure and enabling new capabilities and the creation of new offerings for customers. There were \$203 (2025 - \$736) in non-cash intangible asset transactions in the year.

10. Goodwill:

The LTSA performed an annual impairment test of goodwill as at March 31, 2026. The impairment test was based on the LTSA's annual budget and internal forecast and represents management's best estimates at a specific point in time, and as a result is subject to measurement uncertainty. In arriving at its estimated future cash flows the LTSA determined the value-in-use of the CGU to which goodwill has been allocated. The CGU has been determined to be LTSA and LandSure at a combined level.

The LTSA projected revenue growth consistent with historical growth rates in order to calculate the present value of its projected cash flows. A discount rate of 8.7% (2025 - 6.6%) was used in the determination of the value-in-use. Based on the impairment test performed as of March 31, 2026 no impairment of goodwill was recorded by LTSA.

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11. Provisions:

The carrying amounts and the movements in the provision account are as follows:

	Provision for legal claims	Other current provisions	Total current provisions
Balance, March 31, 2024	\$ 260	\$ 227	\$ 487
Additions	250	29	279
Balance, March 31, 2025	510	256	766
Additions	106	-	106
Reversals	(11)	-	(11)
Balance, March 31, 2026	\$ 605	\$ 256	\$ 861

12. Employee benefits:

The following amounts represent the LTSA's obligations to its current and former employees that are expected to be settled during the next twelve months:

	2026	2025
Salaries payable	\$ 3,809	\$ 3,738
Employee leave liability	1,372	1,421
Superannuation and group RRSP benefits	214	120
	\$ 5,395	\$ 5,279

Public service pension plan:

The LTSA paid \$1,121 (2025 - \$1,069) for employer contributions to the plan during the year which represents 0.1% of the total plan contributions.

Retirement benefit:

LandSure contributed up to 6.0% of employees' base salaries to a group registered retirement savings plan. The amount recognized as an expense for the year ended March 31, 2026 was \$648 (2025 - \$581).

Long-term disability plan:

A funded long-term disability multi-employer plan provides disability income benefits after employment, but before retirement. The amount recognized as an expense for the year ended March 31, 2026 was \$233 (2025 - \$213).

Expenses for other benefit programs funded by the LTSA totaled \$2,587 (2025 - \$2,580).

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13. Contract liabilities:

Contract liabilities represent cash received from customers in excess of revenue recognized on incomplete contracts, more specifically relating to subscription contracts, software as a service fees for property tax deferral and for the First Nations Land Governance Registry, as well as unprocessed examination services at period end. Examination services processing times are outlined in the LTSA's Operating Agreement performance targets.

	2026		2025	
Beginning balance	\$	2,520	\$	3,198
Additions to contract liabilities		1,074		1,086
Revenue recognized during the year		(1,941)		(1,764)
Ending balance	\$	1,653	\$	2,520
Amount due for settlements within 12 months	\$	1,653	\$	1,976
Amount due for settlements after 12 months		-		544
	\$	1,653	\$	2,520

14. Income taxes:

	2026		2025	
The income tax expense (recovery) is as follows:				
Current	\$	63	\$	1,176
Deferred		1		(551)
	\$	64	\$	625
Non-current deferred tax (assets) liabilities:				
Property and equipment	\$	(75)	\$	(49)
Intangible assets		391		424
Long-term investment		(72)		(152)
Investment tax credits		6		27
	\$	250	\$	250

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14. Income taxes (continued):

The LTSA's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2026	2025
Net earnings before income taxes	\$ 6,046	\$ 8,745
Net tax-exempt loss (earnings)	(7,152)	(6,772)
Net earnings subject to income taxes	\$ (1,106)	\$ 1,973
Expected income tax expense (recovery) at the combined tax rate of 27% (2025 – 27%)	\$ (299)	\$ 533
Increase (decrease) in income tax expense resulting from:		
Prior year tax provision adjustment	(17)	-
Other	380	92
	363	92
Income tax expense	\$ 64	\$ 625

15. Lease liabilities:

The LTSA incurs lease payments for certain assets under lease agreements consisting primarily of office buildings and office equipment.

The leases have interest rates ranging from 3.10% to 4.69% per annum and expire between December 2031 and September 2035.

	2026	2025
Balance, April 1	\$ 16,137	\$ 10,029
Additions	106	7,980
Payments	(2,160)	(2,348)
Interest	692	476
Balance, March 31	\$ 14,775	\$ 16,137
Amount due for settlements within 12 months	\$ 1,318	\$ 1,465
Amount due for settlements after 12 months	13,457	14,672
Total	\$ 14,775	\$ 16,137

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15. Lease liabilities (continued):

The LTSA is committed to minimum lease payments, including certain variable costs not included in the determination of the right of use asset and lease liability as follows:

Maturity analysis	2026	2025
Less than one year	\$ 3,465	\$ 3,724
One to two years	3,525	3,444
Two to three years	3,597	3,519
Three to four years	3,674	3,596
Four to five years	3,782	3,674
More than five years	14,365	18,068
Total lease obligations	\$ 32,408	\$ 36,025

16. Assurance Fund reserve:

The *Land Title Act* establishes an Assurance Fund for the Province of British Columbia for claims arising from actions prior to the establishment of the LTSA, and for the LTSA for claims since its inception in January 2005. The compensation rules for administering the funds are established in the *Land Title Act* to compensate individuals in the rare cases where they are deprived of title due to an error in the operation of the *Land Title Act* or in the administration of the Land Title system under the Registrar's direction.

The Assurance Fund reserve is an appropriation of retained earnings set by the Board of Directors to support the LTSA's Assurance Fund. The balance of the reserve is established each year based on the results of a periodic independent analysis of the program using actuarial assumptions and methods. This analysis considers the *Land Title Act* rules, the Assurance Fund's claims history going back to the early 1980s, changing market conditions, transaction volumes and other factors. The last independent analysis of the program was carried out effective March 31, 2022, and the next independent analysis is to be performed in March 2027.

The Assurance Fund reserve was \$6.0 million at March 31, 2026 (2025 - \$6.0 million). During the year, \$7 was paid (2025 - \$73) for settlements.

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17. Related party transactions:

Province of British Columbia:

The Province of British Columbia provincial ministries, central agencies and certain other organizations are exempt from the payment of the LTSA fees. During the year ended March 31, 2026, the LTSA provided services to these organizations which, if assessed fees at the usual rates applicable to other entities, would have resulted in additional revenues of \$24,073 (2025 - \$22,589).

Products and services acquired from the Province for the year ended March 31, 2026 totaled \$404 (2025 - \$278).

Real property taxation authorities:

Various real property taxation authorities are entitled to use the land title system free of charge for the administration of the taxation of real property. During the year ended March 31, 2026, the LTSA provided services to these authorities which, if assessed fees at the usual rates applicable to other entities, would have resulted in additional revenues of \$851 (2025 - \$970).

Compensation of key management personnel:

Key management personnel are comprised of the LTSA's directors and executive officers. The remuneration of key management personnel was as follows:

<u>Executive Officers</u>	<u>2026</u>	<u>2025</u>
Short term benefits	\$ 2,500	\$ 2,441
Post-employment benefits and other	353	336
	<u>\$ 2,853</u>	<u>\$ 2,777</u>

For the year ended March 31, 2026, the LTSA recorded total compensation for non-management directors of \$525 (2025 - \$507).

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17. Related party transactions (continued):

The LTSA's Executive Officers have specific, individual employment contracts. These contracts make provision for payments by the LTSA for termination without just cause of 18 months of base salary, performance incentives and benefits. The value of these contingent commitments at March 31, 2026 totalled \$4.3 million (2025 - \$4.2 million).

In the event of a termination arising from a change in control of the LTSA, agreements with the Executive Officers provide for termination benefits of 24 months of base salary but no payments of performance incentives or benefits. The value of these contingent commitments at March 31, 2026 totalled \$3.6 million (2025 - \$3.6 million). These benefits would be in place of, and not in addition to, the benefits described in the immediately preceding paragraph.

18. Business Acquisition:

On October 17, 2025, Landsure purchased 100% of the shares of Landcor. Landcor provides property valuation tools and other specialized data reports. The acquisition is to enhance access to reliable property data. The aggregate purchase price was \$2.0 million including \$950 of holdbacks. As of March 31, 2026, \$750 of the total holdbacks have been released to the vendor.

The acquisition has been accounted for using the acquisition method. The fair value of the purchase price consideration and amounts recognized in respect of the identifiable assets acquired and liabilities assumed related to the acquisition are as set out in the table below:

	October 17, 2025
Fair value of purchase consideration:	
Cash paid at closing of business acquisition	\$ 1,050
Working capital adjustment	36
Holdbacks	950
Total purchase consideration	\$ 2,036
Fair values of Landor's assets acquired and liabilities assumed:	
Current assets	\$ 677
Non-current assets	7
Current liabilities	(491)
Total assets acquired and liabilities assumed	193
Values attributable to following recorded by Landsure:	
Intangible assets	\$ 1,544
Deferred tax liability	(417)
Goodwill	716
Total	\$ 2,036

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18. Business Acquisition (continued):

Following a strategic review of the board and management, a decision was made to dispose of Landcor. The assets and liabilities of the disposal group as of March 31, 2026, are presented separately in the statement of financial position as follows:

	March 31, 2026
Cash and cash equivalents	\$ 150
Trade and other receivables	247
Prepaid expenses	99
Property and equipment	5
Goodwill	716
Intangible assets	1,544
Assets held for sale	\$ 2,761
Trade and other payables	\$ 160
Deferred revenue	5
Employee benefits	23
Deferred tax liability	417
Liabilities held for sale	\$ 605

From October 17, 2025, Landcor has contributed revenue of \$962 and a net loss of \$54 to the consolidated financial results for the year. If Landcor had been acquired since the beginning of the fiscal year, amounts of the revenue and net loss contributed to the consolidated financial statements would have been \$2,040 and \$295. Acquisition and disposition related transaction and legal costs of \$156 were incurred and recorded as general and administrative expenses in the statement of comprehensive income.