Consolidated financial statements of

FIERA SCEPTRE INC.

September 30, 2010 and 2009

FIERA SCEPTRE INC.
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Auditors' report

To the Shareholders of
Fiera Sceptre Inc.

We have audited the consolidated balance sheets of Fiera Sceptre Inc. as at September 30, 2010 and 2009 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Samson Bélair / Deloitte & Touche s.e.n.c.r.l.[1]

December 1, 2010

[1] Chartered accountant auditor permit No. 8130

FIERA SCEPTRE INC.
Consolidated statements of earnings
years ended September 30

	2010	2009
	$	$
Revenue		
Base management fees	**38,567,576**	29,046,615
Performance fees	**1,851,174**	6,391,135
Success fees of the joint venture	**1,378,788**	-
Discounts granted to a shareholder	**(390,000)**	-
	41,407,538	35,437,750
Selling, general and administration fees	**32,557,061**	27,312,051
External managers	**1,096,094**	1,226,214
Amortization of capital assets	**576,598**	603,993
Amortization of intangible assets	**1,372,552**	280,928
Interest on long-term debt	**111,239**	351,476
Gain on dilution (Note 5)	**(106,398)**	(14,861)
	35,607,146	29,759,801
Earnings before the following items	**5,800,392**	5,677,949
Restructuring costs and other costs (Note 20)	**778,219**	1,124,367
Earnings before income taxes and non-controlling interest	**5,022,173**	4,553,582
Current income taxes (recovered) (Note 16)	**(55,177)**	-
Future income taxes (Note 16)	**1,584,661**	1,431,083
	1,529,484	1,431,083
Earnings before non-controlling interest	**3,492,689**	3,122,499
Non-controlling interest	**-**	(64,034)
Net earnings	**3,492,689**	3,186,533
Earnings per share (Note 18)		
Basic and diluted	**0.22**	0.23

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

FIERA SCEPTRE INC.
Consolidated statements of comprehensive income
years ended September 30

	2010	2009
	$	$
Net earnings	**3,492,689**	3,186,533
Other comprehensive income		
Unrealized gain on available-for-sale financial assets	**7,936**	-
Comprehensive income	**3,500,625**	3,186,533

FIERA SCEPTRE INC.

Consolidated statements of changes in shareholders' equity

years ended September 30

	2010	2009
	$	$
Share capital		
Balance, beginning of year	**30,724,786**	30,724,786
Shares transactions prior to the business combination:		
Issuance of shares for cash	**4,848,375**	-
Redemption of shares	**(1,587,757)**	-
Shares transactions on or after the business combination:		
For business combination (Note 4)	**95,184,588**	-
Issuance of shares for cash (Note 1)	**5,000,000**	-
Stock options exercised	**325,568**	-
Balance, end of year	**134,495,560**	30,724,786
Contributed surplus		
Balance, beginning of year	**-**	-
For business combination (Note 4)	**957,065**	-
Stock-based compensation expense	**236,129**	-
Stock options exercised	**(104,863)**	-
Balance, end of year	**1,088,331**	-
Retained earnings		
Balance, beginning of year	**7,637,779**	4,451,246
Net earnings	**3,492,689**	3,186,533
Excess of purchase price over carrying value of redeemed shares	**(3,260,618)**	-
Fiera assets not transferred at time of business combination (Note 1)	**(565,392)**	-
Dividends	**(5,000,000)**	-
Balance, end of year	**2,304,458**	7,637,779
Accumulated other comprehensive income		
Balance, beginning of year	**-**	-
Other comprehensive income	**7,936**	-
Balance, end of year	**7,936**	-

FIERA SCEPTRE INC.
Consolidated balance sheets
as at September 30

	2010	2009
	$	$
Assets		
Current assets		
Cash and cash equivalents	**2,118,278**	5,782,008
Restricted cash (Note 6)	**1,797,719**	1,569,632
Investments (Note 7)	**4,514,231**	-
Accounts receivable (Note 8)	**15,896,754**	8,297,440
Loans to related companies and parties (Note 9)	**-**	115,284
Prepaid expenses	**495,070**	507,398
Future income taxes (Note 16)	**55,809**	2,237,363
	24,877,861	18,509,125
Long-term investment	**369,303**	-
Capital assets (Note 10)	**2,706,158**	2,306,657
Intangible assets (Note 11)	**48,795,044**	21,626,822
Goodwill	**89,904,685**	17,001,705
Deferred charges	**199,237**	78,604
	166,852,288	59,522,913
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 13)	**14,506,573**	6,259,879
Amount due to related companies	**108,119**	581,900
Client deposits (Note 6)	**1,797,719**	1,569,632
Deferred income	**57,811**	-
Prepaid management fees – shareholder and its related companies	**307,293**	3,000,000
Due to shareholders of the joint venture	**573,199**	-
Current portion of long-term debt (Note 15)	**-**	4,031,372
	17,350,714	15,442,783
Deferred lease obligations	**301,620**	279,666
Lease inducements	**978,180**	1,044,656
Future income taxes (Note 16)	**8,874,427**	4,393,243
Other long-term liabilities	**1,451,062**	-
	28,956,003	21,160,348
Commitments (Notes 22)		
Shareholders' equity		
Share capital (Note 17)	**134,495,560**	30,724,786
Contributed surplus	**1,088,331**	-
Retained earnings	**2,304,458**	7,637,779
Accumulated other comprehensive income	**7,936**	-
	2,312,394	7,637,779
	137,896,285	38,362,565
	166,852,288	59,522,913

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

Approved by the Board

.... Director

.... Director

FIERA SCEPTRE INC.
Consolidated statements of cash flows
years ended September 30

	2010	2009
	$	$
Operating activities		
Net earnings	**3,492,689**	3,186,533
Adjustments for:		
Amortization of capital assets	**576,598**	603,993
Amortization of intangible assets	**1,372,552**	280,928
Amortization of deferred charges	**62,004**	58,960
Amortization of financing charges	**44,970**	64,733
Lease inducements	**(129,439)**	(124,962)
Deferred lease obligations	**21,954**	95,972
Stock-based compensation	**236,129**	-
Future income taxes	**1,584,661**	1,431,083
Gain on dilution (Note 5)	**(106,398)**	(14,861)
Gain on disposal of investments	**(2,583)**	-
Non-controlling interest	**-**	(64,034)
Prepaid management fees	**(3,000,000)**	-
	4,153,137	5,518,345
Changes in non-cash operating working capital items (Note 21)	**432,426**	5,113,222
	4,585,563	10,631,567
Investing activities		
Business combination (less cash acquired of $1,856,334)	**(2,299,517)**	-
Investments	**(1,625,027)**	88,360
Loans to related companies	**107,433**	(115,284)
Purchase of capital assets	**(347,537)**	(151,956)
Purchase of intangible assets	**(255,806)**	(70,141)
Purchase of long-term investment	**(376,019)**	-
Lease inducements	**33,878**	-
Effect on cash and cash equivalents upon dilution of its investment in Fiera Axium Infrastructure Inc. (Note 5)	**115,135**	40,529
	(4,647,460)	(208,492)
Financing activities		
Reimbursement of long-term debt	**(4,076,342)**	(8,000,000)
Business Partners’ deposit	**253,805**	-
Payment of dividends	**(5,000,000)**	-
Issuance of share capital	**10,069,079**	
Redemption of share capital	**(4,848,375)**	
	(3,601,833)	(8,000,000)
Net increase (decrease) in cash and cash equivalents	**(3,663,730)**	2,423,075
Cash and cash equivalents, beginning of year	**5,782,008**	3,358,933
Cash and cash equivalents, end of year	**2,118,278**	5,782,008

Additional information is presented in Note 21.

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

1. Description of business and merger

Fiera Capital Inc. ("Fiera"), was incorporated on July 1, 2003 under the *Canada Business Corporations Act*, provides mainly investment consulting and portfolio management services.

Sceptre Investment Counsel Limited ("Sceptre") was incorporated as Fry Investment Management Limited in 1955 under the laws of the Province of Ontario and is an institutional fund manager focused on managing pension plans for corporations, governments and other organizations.

On June 16, 2010, Fiera and Sceptre announced that they had signed a definitive agreement to combine the businesses of the two companies. The combined business is carried on under the name Fiera Sceptre Inc. ("Fiera Sceptre" or the "Company").

Under the agreement, Sceptre shareholders have exchanged approximately 14.2 million common shares for 14.2 million new Class A subordinate voting shares of Fiera Sceptre on a 1-for-1 basis. For their part, Fiera exchanged the near totality of its assets and related liabilities, except for certain income tax assets amounting to $565,392 at their carrying value for approximately 21.4 million Class B special voting shares of Fiera Sceptre, which resulted in a total of approximately 35.6 million Class A subordinate voting shares and Class B special voting shares. After closing of the merger, Fiera shareholders control approximately 60% of the outstanding shares of Fiera Sceptre.

Subsequent to shareholder approval and at the time of the share exchange at closing, a payment of $0.60 per share, totalling $8.5 million, was paid by Sceptre in the form of a capital distribution to the Sceptre shareholders. This transaction is not reflected in the current financial statements, as it occurred prior to the business combination.

Concurrent with the closing of the merger, an entity controlled by a minority shareholder of Fiera, acquired 833,333 Class A subordinate voting shares of Fiera Sceptre at $6 per share for a total of $5 million.

2. Changes in accounting policies

The Company adopted the following recommendations of the Canadian Institute of Chartered Accountants Handbook ("CICA"):

Financial instruments - Disclosures

Effective October 1, 2009, the Company adopted the changes made by the CICA to Section 3862 "Financial instruments – Disclosures" whereby an entity shall classify and disclose fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on 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 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The required disclosures are included in Note 24.

3. Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and reflect the following significant accounting policies:

Principles of consolidation

The consolidated financial statements include the accounts of Fiera Sceptre and its wholly owned subsidiaries, Fiera Sceptre Funds Inc., (formerly Sceptre Mutual Fund Dealer Inc.) (“FSFI”) and Sceptre Fund Management Inc. (“SFMI”). All intercompany transactions and balances have been eliminated on consolidation. The consolidated financial statements also include the accounts of Fiera Axium Infrastructure Inc. (“Fiera Axium”) held at 50% until April, 2009 at which time it ceased to control the Board of Directors by virtue of the shareholders’ agreement. At such date, it reduced its interest to 41.18% and entered into a joint venture agreement. Moreover, in March 2010, the interest in this joint venture decreased from 41.18% to 35.35%. Accordingly, Fiera Axium accounts, which were consolidated until April, 2009, have been thereafter accounted for under the proportionate consolidation method.

Revenue recognition

Revenue from management fees is recognized as the related services are rendered and the fees are determinable. Discounts are recorded against revenue. Management fees are invoiced monthly or quarterly based on daily average assets under management and others are calculated and invoiced quarterly in arrears based on calendar quarter-end assets values under management or on an average of opening and closing assets under management for the quarter.

Performance fees are recorded only at the performance measurement dates contained in the individual account agreements and are dependent upon performance of the account exceeding agreed-upon benchmarks over the relevant period.

The success fee is recognized upon closing of an infrastructure project of our Fiera Axium joint venture.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The most significant areas requiring the use of management estimates relate to: intangible assets, goodwill, accrued liabilities, future income tax assets and liabilities and stock-based compensation.

3. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

Classification

Cash and restricted cash	Held for trading
Investments	
Short-term notes	Held for trading
Mutual fund investments	Available for sale
Accounts receivable and loans to related companies	Loans and receivables
Long-term investment	Available for sale
Accounts payable and accrued liabilities	Other liabilities
Amount due to related companies	Other liabilities
Client deposits	Other liabilities
Long-term debt	Other liabilities

Held for trading

Held-for-trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheets' dates. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other income.

Financial liabilities designated as held for trading are those non-derivative financial liabilities that the Company elects to designate on initial recognition as instruments that it will measure at fair value through other interest expense. These are accounted for in the same manner as held for trading assets. The Company has not designated any non-derivative financial liabilities as held for trading.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Available for sale

The Company's investments have been designated as available-for-sale financial assets and, therefore, are carried on the consolidated balance sheets at fair value, with unrealized gains and losses being recognized in other comprehensive income ("OCI"). OCI and net earnings comprise comprehensive income.

3. Accounting policies (continued)

Financial instruments (continued)

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction costs

Transaction costs related to held-for-trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents may comprise cash and the Treasury bill with maturities of three months or less from the date of acquisition.

Investments

Investments in short-term notes are carried on the consolidated balance sheets at fair value using bid prices. Investments in mutual fund units are carried at the net asset value reported by the fund manager.

Capital assets

Capital assets are accounted for at cost and amortized over their useful lives on a straight-line basis over the following periods and term:

Office furniture and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Lease term

3. Accounting policies (continued)

Intangible assets

Intangible assets with an indefinite life such as the management contracts with mutual funds are accounted for at cost. The Company expects both the renewal of these contracts and the cash flows generated by these assets to continue indefinitely. Accordingly, the Company does not amortize these intangible assets, but reviews these assets for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. When the carrying amount exceeds the fair value, an impairment loss is recognized in earnings for an amount equal to the excess. If the Company determines that the indefinite life criteria are no longer met, the Company will amortize the asset over its remaining useful life.

Other intangible assets are accounted for at cost. The expected useful lives of definite lives customer relationships are analysed each year and determined based on the analysis of the historical and projected attrition rates of clients and other factors that may influence the expected future economic benefit that the Company will generate from the customer relationships. The Company tests for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying value of the asset is not recoverable. If such indicators exist, the Company compares the undiscounted cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the undiscounted cash flow amount, an impairment charge is recorded for an amount necessary to reduce the carrying value of the asset to fair value.

Amortization is based on their estimated useful lives using the straight-line method over the following period and term:

Customer relationships	20 years
Trade name	5 years
Non-compete agreement	3 years
Software	2 years
Licenses	License term

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposal. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

3. Accounting policies (continued)

Goodwill

Goodwill, representing the excess of purchase price over fair value of the net identifiable assets of acquired businesses, is tested, using a two-step process, for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired. The first step consists of determining whether the fair value of the reporting unit to which goodwill is assigned exceeds the net carrying value of that reporting unit, including goodwill. In the event that the net carrying amount exceeds the fair value, a second step is performed in order to determine the amount of the impairment loss. The impairment loss is measured as the amount by which the carrying amount of the reporting unit's goodwill exceeds its fair value. Any impairment loss is charged to earnings in the period in which the loss is incurred. The Company uses the discounted cash flow method to determine the fair value of reporting units.

Deferred charges

Deferred charges consist of insurance and rent and are amortized on a straight-line basis over the term of the contract or lease contract.

Deferred lease obligations

The Company leases office space with a predetermined fixed escalation of the minimum rent. The Company recognizes the related rent expense on a straight-line basis and consequently, records the difference between the recognized rental expense and the amounts payable under the lease as deferred lease obligations.

Lease inducements

Lease inducements consist of allocations received from lessors for leasehold improvements and are amortized over the lease term.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amounts of balance sheet items and their corresponding tax bases, using the enacted and substantially enacted income tax rates for the years in which the differences are expected to reverse. Future income tax assets are recognized to the extent it is more likely than not they will be realized.

Employee future benefits

The Company maintains defined contribution pension plans and the annual charge corresponds to the contributions.

3. Accounting policies (continued)

Earnings per share

Basic earnings per share are computed by dividing net earnings by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated using the treasury stock method to evaluate the dilutive effect of stock options. This method assumes that any proceeds obtained on exercise of employee stock options would be used to purchase shares at the average market price during the year.

Stock-based compensation

Stock-based compensation expense is recorded using the fair value method. Under this method, the compensation expense for stock options is measured at fair value at grant date using the Black-Scholes option pricing model and recognized over the vesting period. When stock options are exercised, any consideration paid by employees is credited to share capital the recorded fair value of the options is removed from contributed surplus and credited to share capital.

Deferred share unit plan

The expense associated with granting new deferred share units ("DSUs") is recognized when the deferred shares are issued. Changes in the fair value of previously issued DSUs that arise due to changes in the price of the Company's common shares are recognized on an ongoing basis in the consolidated statement of earnings. The number of DSUs granted to directors is determined by dividing the dollar value of the portion of directors' fees to be paid in DSUs by the closing price of the Company's shares on the TSX for the business day immediately preceding the date of the grant. DSUs are granted on the third business day following the publication by the Company of its earnings results for each quarter.

Future accounting changes

International Financial Reporting Standards

The Canadian Accounting Standards Board confirmed, in February 2008, that it will require all publicly accountable entreprises to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. In the year of adoption, companies will be required to provide comparative information as if IFRS had been used in the preceding fiscal year. The transition from Canadian GAAP to IFRS will be applicable to the Company as at October 1, 2010. For the year ending September 30, 2012, the Company will prepare both its fiscal 2012 and fiscal 2011 comparative financial information using IFRS. The Company expects the transition to IFRS to impact financial reporting, business processes, internal controls and information systems. The Company is currently assessing the impact of the transition to IFRS on these areas and will continue to invest in training and resources throughout the transition period to facilitate a timely conversion.

3. Accounting policies (continued)

Future accounting changes (continued)

Business combinations, consolidated financial statements and non-controlling interests

In January 2009, the CICA issued three new accounting standards: Section 1582, “Business combinations,” Section 1601, “Consolidated financial statements,” and Section 1602, “Non-controlling interests.” These new standards will be effective for interim and annual reporting periods beginning on or after January 1, 2011.

Section 1582 replaces Section 1581 of the same name and establishes standards for the accounting of business combinations. It applies prospectively to business combinations with acquisition dates on or after January 1, 2011. Early adoption of these Sections is permitted as long as they are adopted simultaneously. These new accounting standards are intended to harmonize Canadian accounting standards with IFRS. The Company will adopt these Sections in the fiscal year beginning October 1, 2011. Therefore, this Section would have an impact on the Company’s consolidated financial statements if a business combination occurs after its adoption.

Sections 1601 and 1602 together replace Section 1600 “Consolidated financial statements.” Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

4. Business combination

As described in Note 1, on September 1, 2010 Fiera transferred, assigned and conveyed the near totality of its assets except for certain income tax related assets amounting to $565,392 to Sceptre in consideration of Sceptre assuming Fiera liabilities and issuing 21,357,336 Class B special voting shares of Sceptre.

As a result of this transaction, control of Sceptre has passed to the shareholders of Fiera upon closing. This type of exchange, accounted in a manner similar to that referred to as a “Reverse takeover,” deems Fiera to be the acquirer for accounting purposes. Accordingly, Sceptre’s assets and liabilities were recorded at their estimated fair value as more precisely described in Emerging Issues Committee Abstract 10 “Reverse takeover” (“EIC 10”). The fair value of all issued and then outstanding shares of Sceptre was used as the basis for the determination of the cost of purchase.

The shares purchase consideration is based on 14,206,655 Sceptre’s shares times the weighted average price of the shares on the Toronto Stock Exchange for a period starting 2 days before June 16, 2010, the announcement date of the transaction, and ending 2 days after.

Under reverse takeover accounting, all comparative historical financial statements are those of Fiera, the accounting acquirer.

The following table reflects the preliminary purchase price allocation which is subject to final valuation. The final purchase price allocation is expected to be completed as soon as management has gathered all significant information considered necessary in order to finalize the allocation:

	$
Current assets	**12,188,591**
Capital assets	**630,237**
Deferred charges	**182,637**
Value of intangibles	**28,285,000**
Goodwill [1]	**72,902,980**
Current liabilities and long-term liabilities	**(9,170,349)**
Lease inducements	**(29,085)**
Future income tax liabilities	**(4,692,507)**
	100,297,504
Purchase consideration	
Shares consideration - deemed issuance	**95,184,588**
Fair value of Sceptre options - deemed issuance [2]	**957,065**
Transaction costs	**4,155,851**
	100,297,504

[1] The goodwill is not deductible for tax purposes.

[2] At closing, Sceptre had 368,466 options outstanding which became vested as a result of the change of control. The fair value of the deemed issuance of Fiera options in exchange for the 368,466 options of Sceptre is $957,065, and this amount has been included as a component of the purchase price.

4. Business combination (continued)

In connection with this business combination, management has proposed certain plans to restructure and integrate the two businesses. Consequently, the Company recorded provisions related to leases for premises occupied by Sceptre which the Company plans to vacate as well as costs related to the planned termination of certain employees of the acquired business performing functions already available through its existing structure. The components of the integration charges are as follows:

	Severance	Consolidation of facilities	Total
	$	$	$
Provision included in the purchase price allocation	2,273,000	1,384,000	3,657,000
Paid during the year	(84,000)	-	(84,000)
Balance, September 30, 2010	2,189,000	1,384,000	3,573,000

Of the total balance remaining, $2,122,000 is included in accounts payable and accrued liabilities and $1,451,000 is included in other long-term liabilities.

5. Joint venture

As at September 30, 2008, the Company held 50% of the voting shares of Fiera Axium and, pursuant to the shareholders agreement effective at the time, considered its investment in Fiera Axium for accounting purposes as a subsidiary. However, during the year ended September 30, 2009, a new shareholder subscribed to shares with voting rights, resulting in a dilution of the investment held in Fiera Axium from 50% to 41.18% in spite of an additional investment by the Company of $333,333 in cash for an equivalent number of common shares. These transactions resulted in a gain on dilution of the investment of $14,861.

Moreover, in March 31, 2010, new shareholders and employees of the joint venture, Fiera Axium subscribed to shares with voting rights of Fiera Axium resulting in further dilution of the investment held in Fiera Axium from 41.18% to 35.35% and a gain on dilution of $106,398 in spite of on additional investment of $500,000 by the Company and a redemption of capital of $875,000 in August 2010.

The consolidated financial statements include the proportionate share of assets, liabilities, revenue, expenses and cash flows of the joint venture. The amounts included in the financial statement are the following:

	2010	2009
	$	$
Balance sheets		
Current assets	**1,018,837**	287,251
Long-term assets	**477,834**	6,926
Current liabilities	**1,388,964**	16,016
Long-term liabilities	**33,556**	-
Statement of earnings		
Revenue	**2,266,580**	8,793
Expenses	**2,109,354**	542,966
Income taxes (recovered)	**77,348**	(142,625)
Net earnings (loss)	**79,878**	(391,548)
Cash flows		
Operating activities	**1,120,018**	(405,951)
Investing activities	**(448,918)**	76,777
Financing activities	**134,165**	420,690
	805,265	91,516

5. Joint venture (continued)

The March 2010, transactions resulted in the elimination of certain assets and liabilities from the previous proportionate consolidation established at 41.18% as follows:

	Debit (credit)
	$
Cash	**63,295**
Other current assets	**84,858**
Temporary investments	**253,007**
Other long-term assets	**1,707**
Business Partners' deposit	**(253,805)**
Other current liabilities	**(77,030)**
	72,032

Effect of the dilution of the investment:

Cash	**(63,295)**
Change attributed to non-controlling interest	**72,032**
Gain on dilution on investment	**106,398**
	115,135

These intercompany transactions are eliminated upon consolidation:

Accounts receivable	**3,023**
Accounts payable	**(3,023)**

6. Restricted cash – Client deposits

The restricted cash consists of client deposits received during the year following the settlement of a class action in favour of certain clients for whom the Company acted as agent. The source and use of funds related to these deposits are not considered as operating activities.

7. Investments

	2010	2009
	$	$
Short-term notes	**3,500,274**	
Mutual fund investments under management of the Company	**1,013,957**	-
	4,514,231	-

8. Accounts receivable

	2010	2009
	$	$
Trade accounts	**14,206,647**	6,286,551
Trade accounts – related companies of a shareholder	**1,496,818**	1,987,377
Other	**193,289**	23,512
	15,896,754	8,297,440

9. Loans to related companies and related parties

	2010	2009
	$	$
Loan, bearing interest at prime rate plus 0.25%, refundable in October 2009	-	61,761
Loan to a related company of a shareholder, non-interest bearing, without specific repayment terms	-	53,523
	-	115,284

10. Capital assets

	2010			2009
	Cost	Accumulated amortization	Net book value	Net book value
	$	**$**	**$**	$
Office furniture and equipment	**2,105,348**	**1,580,758**	**524,590**	508,168
Computer equipment	**3,003,572**	**2,322,027**	**681,545**	239,363
Leasehold improvements	**2,174,973**	**674,950**	**1,500,023**	1,559,126
	7,283,893	**4,577,735**	**2,706,158**	2,306,657

11. Intangible assets

	2010			2009
	Cost	Accumulated amortization	Net book value	Net book value
	$	**$**	**$**	$
Indefinite life				
Asset management contracts	**6,170,000**	**-**	**6,170,000**	21,444,312
Finite life				
Customer relationships	**40,424,312**	**1,148,882**	**39,275,430**	
Trade name	**2,330,000**	**34,500**	**2,295,500**	-
Non compete	**805,000**	**19,167**	**785,833**	-
Software	**1,195,818**	**927,537**	**268,281**	177,730
Licenses	**67,000**	**67,000**	**-**	4,780
	50,992,130	**2,197,086**	**48,795,044**	21,626,822

During the year, Fiera's management revised the useful life of its asset management contracts amounting to $21,444,312 as at September 30, 2009 to 20 years from a previously accounted indefinite life asset classification (Note 2 on intangibles) and classified it as customer relationships.

The intangible assets acquired during the year total $255,806 ($70,141 in 2009).

12. Bank loan

The Company has an authorized line of credit of $5,000,000, bearing interest at the prime rate or at the Banker's acceptance rate plus 0.25%, maturing June 2011. This line of credit is unused at year end. It is secured by a movable first mortgage of $5,000,000 on accounts receivable and capital and intangible assets, both present and future.

Under the terms of the bank loan, the Company must satisfy certain restrictive covenants as to minimum financial ratios (see Note 15).

13. Accounts payable and accrued liabilities

	2010	2009
	$	$
Trade accounts payable and accrued liabilities	**6,670,515**	1,200,815
Wages, vacation and severance payable	**2,748,490**	195,984
Bonus and commission payable	**5,008,913**	4,176,500
Taxes	**78,655**	686,580
	14,506,573	6,259,879

14. Employee future benefits

The Company contributes to defined contribution pension plans for its employees. Contributions for the period totalled $557,901 ($500,497 in 2009).

As part of the business combination referred in Note 1, the Company assumed the role of sponsor of individual pension plans “IPP” which had been established by Sceptre for certain key employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies under the IPPs. Further, there were no going concern unfunded liabilities disclosed in the last filed valuations for any of the IPPs. As for current service costs no contribution are currently required except for an amount not exceeding $30,000 yearly for one individual.

15. Long-term debt

	2010	2009
	$	$
Mortgage loan bearing interest at prime rate plus a premium varying from 0% to 0.75%, matured on September 30, 2010	-	4,076,342
Deferred financing charges	-	(44,970)
	-	4,031,372
Current portion of long-term debt	-	4,076,342
Current financing charges	-	(44,970)
	-	4,031,372

Under the terms of the mortgage agreement, the Company had to satisfy certain restrictive covenants as to minimum financial ratios. These restrictions are composed of debt to EBITDA ratio, debt to shareholders’ equity ratio and debt and fixed charge coverage ratio.

EBITDA, a non GAAP measure, is calculated as the sum of net earnings, plus interest on debt and other interest expense, income taxes, amortization and impairment loss of capital assets and intangible assets, retention bonus and certain acquisition costs as defined in the agreement.

16. Income taxes

Income tax expense details as follows:

	2010	2009
	$	$
Current income taxes (recovered)	**(55,177)**	-
Future income taxes	**1,584,661**	1,431,083
	1,529,484	1,431,083

The Company's income tax expense differs from the amounts that would have been obtained using the combined federal and provincial statutory tax rate as follows:

	2010	2009
	$	$
Income tax expense based on combined statutory income tax rate	**1,503,394**	1,396,584
Non-deductible amounts	**214,983**	118,882
Adjustment of future income tax assets and liabilities due to changes to substantively enacted income tax rates	**(188,893)**	(84,383)
	1,529,484	1,431,083

The main components of future income tax assets and liabilities detail as follows:

	2010	2009
	$	$
Future income tax assets		
Losses carried forward	-	1,673,328
Prepaid management fees	-	920,096
Capital assets	**550,358**	429,666
Lease inducements	**249,404**	292,189
Restructuring provision	**816,058**	-
Other	**137,125**	210,620
	1,752,945	3,525,899
Future income tax liabilities		
Intangible assets	**(10,571,563)**	(5,681,779)
Net future income taxes liabilities	**(8,818,618)**	(2,155,880)
Allocated as follows:		
Future income tax assets – current	**55,809**	2,237,363
Future income tax liabilities – long-term	**(8,874,427)**	(4,393,243)
	(8,818,618)	(2,155,880)

17. Share capital

Authorized, an unlimited number of

Class A shares, subordinate voting and participating

Class B shares, special voting, participating

Company share transactions subsequent to the transaction described in Note 4.

	2010	
	Number	$
Class A subordinate voting shares		
Issued in exchange of common shares (Note 1)	**14,238,224**	**95,396,100**
Less shares held in trust by the Company (2)	**(31,569)**	**(211,512)**
	14,206,655	**95,184,588**
Issued in exchange for cash (Note 1)	**833,333**	**5,000,000**
Stock options exerciced	**38,733**	**325,568**
Outstanding, end of year	**15,078,721**	**100,510,156**
Class B special voting shares		
Issued as part of the business combination and outstanding, end of year (Note 1)	**21,357,336**	**33,985,404**
Total share capital at end of year	**36,436,057**	**134,495,560**
Fiera share capital transactions prior to the business combination		
Share capital, beginning of year	**45,544,295**	**30,724,786**
Shares issued for cash	**2,353,580**	**4,848,375**
Shares redeemed (1)	**(2,353,580)**	**(1,587,756)**
Value assigned to Class B special voting shares at closing	**(45,544,295)**	**(33,985,404)**
Outstanding shares, end of year	**-**	**-**

17. Share capital (continued)

	2010	
	Number	$
Sceptre share capital transactions prior to the business combination		
Outstanding shares, beginning of year	**14,044,590**	**N/A**
Stock options exercised	**193,634**	**N/A**
Exchange for Company Class A subordinate voting shares (Note 1)	**(14,238,224)**	**N/A**
Outstanding common shares, end of year	**-**	**-**

	2009	
	Number	$
Fiera common shares		
Outstanding shares, beginning and end of year	45,544,295	30,724,786

(1) Shares with a carrying value of $1,587,756 were redeemed for an amount of $4,848,375 and the excess of purchase price over the carrying value of $3,260,619 was charged to retained earnings.

(2) As at September 1 and September 30, 2010, 31,569 Class A subordinated voting shares, which were forfeited prior to vesting under the Sceptre stock purchase incentive plans, were held in trust by the Company. These shares are presented in reduction of the share capital outstanding as at September 1, 2010 and September 30, 2010.

Under the terms of the plans, such forfeited shares were available for allocation to other participants in the plans. However, the stock purchase incentive plans were cancelled at the end of the year.

During the year, the articles of Sceptre were amended to change the name of Sceptre to Fiera Sceptre Inc. and to create the Class A subordinate voting shares and the Class B special voting shares.

Concurrent to the closing of this transaction, an entity controlled by an indirect minority shareholder of Fiera acquired 833,333 Class A subordinate voting shares of the Company at $6.00 per share for an amount of $5 million.

18. Earnings per share

Earnings per share as well as the reconciliation of the number of shares used to calculate basic and diluted earnings per share are as follows:

	2010	2009
	$	$
Net earnings	**3,492,689**	3,186,533
Weighted average shares outstanding - basic	**15,888,902**	14,044,590
Effect of dilutive stock options	**47,386**	-
Weighted average shares outstanding - diluted	**15,936,288**	14,044,590
Basic and diluted earnings per share	**0.22**	0.23

For the years ended September 30, 2010 and 2009, the calculation of hypothetical conversions does not include 19,400 options with an anti-dilutive effect.

19. Stock option plan

a) On October 1, 2009, Fiera created a stock option plan under which options were attributed to key employees for the acquisition of shares according to the salary compensation plan up to a maximum of 4.5 million shares.

The major terms and conditions of the stock option plan were as follows:

- The exercise price is equal to the market value of the shares at the stock option grant date. Market value is determined based on valuation formulas established by the Company's management.
- The rights attached to the options attributed vest in 20% increments as of the end of the third year until the end of the seventh year following the grant date.
- The stock options mature no later than 10 years following their date of attribution.

The number of stock options issued under the stock option plan, during the year and before the business combination are as follows:

	Weighted-average number of options	Weighted-average exercise price
		$
Balance, beginning of year	-	-
Options attributed	1,767,628	1.69719
Balance, at closing of the merger	1,767,628	1.69719
Exercisable options at the end of the year	-	-

The fair value at the date of attribution of the stock options attributed during the period was $0.29 per option. The fair value of each option attributed was established using the Black-Scholes option pricing model, modified to include the share price at the date of attribution and the following assumptions:

Risk-free interest rate	2.25%
Expected life	7 years
Expected volatility for the share price	30%
Expected return on dividends	5%

Compensation expense of a $236,129 relating to the Fiera stock option plan was recognized for the year (nil in 2009).

As a result of the business combination entered into between Sceptre and Fiera, the Fiera outstanding options were replaced by the Company options. Accordingly, the initial 1,767,628 options to acquire Fiera shares were replaced by 818,412 Class A subordinate voting shares with an exercise price of $3.67 per share and the vesting period was harmonized to the existing Sceptre 2007 plan. No amount has been recorded in respect of the actual issuance of these replacement options.

19. Stock option plan (continued)

b) On May 7, 2007, the shareholders of Sceptre approved the adoption of a new stock option plan (the 2007 plan). Options issued prior to that date were issued pursuant to Sceptre's 1998 stock option plan (the 1998 plan). Under the 2007 plan, 1,000,000 common shares were reserved for issuance. At the time of the approval of the 2007 plan, there were 1,347,700 stock options issued and outstanding under the 1998 plan. Following the adoption of the 2007 plan, no further new stock options were granted under the 1998 plan.

Under the 2007 plan, the exercise price of each stock option is equal to the volume weighted average trading price of Sceptre's common shares on the TSX for the five trading days immediately preceding the day the stock option is granted and each stock option's maximum term is five years. Stock options vested at a rate of 33.33% per year, on each anniversary date of the grant.

As a result of the business combination and change of control of Sceptre, all of Sceptre's then outstanding stock options became vested on the closing date. Also, the existing 2007 Sceptre plan stock option plan was amended to increase the shares reserve for issuance from 1,000,000 common shares to 2,021,588 Class A subordinated voting shares.

c) A summary of the status of the Company's stock option plans as at September 30, 2010 and the changes that occurred during the year then ended is presented below:

	Number of common shares	Weighted-average exercise price
	$	**$**
Sceptre outstanding options, beginning of year	**1,018,900**	**7.06**
Granted to Sceptre's employees before the business combination	**95,000**	**5.87**
Replacement options granted to Fiera's employees	**818,412**	**3.67**
Exercised	**(232,367)**	**5.88**
Cancelled [1]	**(383,900)**	**8.84**
Expired	**(59,400)**	**6.95**
Forfeited	**(120,767)**	**6.31**
Outstanding, end of year	**1,135,878**	
Options exercisable, end of year	**317,466**	**5.73**

[1] As part of the business combination arrangement, 383,900 Sceptre's stock options were cancelled by Sceptre before the closing of the business combination and, in consideration, an amount of $150,185 was paid to the holders of the options. Since the transaction occurred prior to the business combination, the amount paid to the holders of the options is not reflected in the consolidated statements of cash flows.

19. Stock option plan (continued)

c) The following table summarizes the stock options outstanding as at September 30, 2010:

	Options outstanding			Options exercisable	
Range of exercise price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Number exercisable	Weighted-average exercise price
			$		$
$3.67	818,412	5	3.67	-	-
$5.41 to $6.37	317,466	3	5.73	317,466	5.73

d) Deferred share unit plan

During 2007, the board of directors of Sceptre adopted a deferred share unit plan (DSU Plan) for the purposes of strengthening the alignment of interests between the directors and the shareholders of Sceptre, by linking a portion of annual director compensation to the future value of Sceptre's common shares, in lieu of cash compensation. Under the DSU Plan, each director received, on the date in each quarter which is tree business days following the publication by the Sceptre of its earnings results for the previous quarter, that number of DSUs having a value equal to up to 100% of such director's base retainer for the current quarter, provided that a minimum of 50% of the base retainer must be in the form of DSUs. The number of DSUs granted to a director was determined by dividing the dollar value of the portion of the director's fees to be paid in DSUs by the closing price of Sceptre common shares of the TSX for the business day immediately preceding the date of the grant. At such time as a director ceased to be a director, Sceptre would make a cash payment to the director equal to the closing price of the Sceptre's common shares on the date of departure, multiplied by the number of DSUs held by the director on that date.

As at September 30, 2010, management had provided an amount of approximately $237,000 for the 29,138 units outstanding under the DSU Plan.

20. Restructuring costs and severance payments

As part of the restructuring and integration plan referred to in Note 4, the Company recorded provisions for the planned termination of certain Fiera employees for an amount of $578,219. In addition, the Company incurred non-recurring fees with the Toronto Stock Exchange of $200,000.

In 2009, restructuring costs and severance payments include severance payments made to departing employees and legal fees incurred and related to the dismissal of employees in November 2008.

21. Additional information relating to the statement of cash flows

	2010	2009
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	**(1,221,663)**	(113,469)
Prepaid expenses	**(2,463)**	(198,689)
Accounts payable and accrued liabilities	**1,162,450**	2,538,975
Amount due to related companies	**(470,758)**	(113,595)
Deferred income	**57,811**	-
Prepaid management fees – shareholder and its related companies	**333,850**	3,000,000
Due to shareholders of the joint venture	**573,199**	-
	432,426	5,113,222
Other information		
Interest paid	**51,661**	381,742

22. Commitments

The Company leases office space and equipment under operating leases expiring at different dates until 2019. Future lease payments will total $13,821,313 and include the following payments in each of the next five years:

	$
2011	**2,226,297**
2012	**1,815,837**
2013	**1,739,470**
2014	**1,765,778**
2015	**1,591,003**
2016 and thereafter	**4,682,928**

23. Related party transactions

The Company has carried out the following transactions with shareholders and their related companies:

	2010	2009
	$	$
Management fees, net of discounts	**7,207,109**	7,401,532
Operating expenses		
• Salaries and employee benefits	**389,743**	410,851
• Management fees	**51,000**	50,000
• Other expenses	**52,271**	146,180
• Interest on long-term debt	**-**	36,986

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

24. Financial instruments and risk management

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at September 30, 2010.

The Company's business is the management of investment assets. The key performance driver of the Company's ongoing results is the level of assets under management. The level of assets under management is directly tied to investment returns and the Company's ability to retain existing assets and attract new assets.

The Company's consolidated balance sheets include a portfolio of investments. The value of these investments is subject to a number of risk factors. While a number of these risks also affect the value of client assets under management, the following discussion related only to the Company's own portfolio of investments.

The Company's exposure to potential loss from its financial instrument investments is primarily due to market risk, including interest rate and equity market fluctuation risks, liquidity risk and credit risk.

Market risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how these exposures are currently managed.

24. Financial instruments and risk management (continued)

Equity market fluctuation risk

Fluctuations in the value of equity securities affect the level and timing or recognition of gains and losses on equity and mutual fund securities in the Company's portfolio and causes changes in realized and unrealized gains and losses. General economic conditions, political conditions and many other factors can also adversely affect the stock and bond markets and, consequently, the value of the equity, mutual fund and fixed income available-for-sale financial assets held.

The Company's investment portfolio is managed by the Company with a medium risk mandate. The Company's particular expertise is investment management and, as part of its daily operations, it has resources to assess and manage the risks of a portfolio. The Company's portfolio of equity and equity-related securities as at September 30, 2010, comprises mutual fund investments under the management of the Company with a fair value of $1,013,957. Mutual fund investments comprise a well-diversified portfolio of Canadian investments. Preferred shares and mutual funds units have no specific maturities.

A 10% change in the Company's equity and equity-related holding an OCI as at September 30, 2010 has an impact of increasing or decreasing the OCI by $101,395.

The credit risk is the risk that one party to a financial instrument fail to discharge an obligation and causes financial loss to another party.

The Company's principal financial assets are cash, restricted cash, temporary investments and accounts receivable which are subject to credit risk. The carrying amounts of financial assets on the consolidated balance sheets represent the Company's maximum credit exposure at the balance sheets' date.

The Company's credit risk is primarily attributable to its trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowance for doubtful accounts, estimated by the management of the Company based on previous experience and its assessment of the current economic environment. In order to reduce its risk, management has adopted credit policies that include regular review of credit limits. No customer represents 10% of the Company's accounts receivables as at September 30, 2010 (One major customer represents 10% of the Company's accounts receivable as at September 30, 2009).

24. Financial instruments and risk management (continued)

Credit risk

The credit risk on cash, restricted cash and temporary investments is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

As at September 30, the aging of accounts receivable were as follows:

	2010	2009
	$	$
Trade		
Current	**12,108,351**	5,453,964
Aged between 61 - 119 days	**435,510**	301,092
Aged greater than 120 days	**118,217**	17,259
Total trade	**12,662,078**	5,772,315
Related company	**1,690,106**	2,010,889
Others	**1,544,570**	514,236
	15,896,754	8,297,440

24. Financial instruments and risk management (continued)

Interest rate risk

The Company is subject to interest rate risk due to interest rate fluctuations on the balance of the mortgage loan.

Currency risk

The Company realizes less than 1% of its sales principally in US dollar and is thus not significantly exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The consolidated balance sheets include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in the following currencies:

	2010	2009
	$	$
US dollars		
Cash	**92,936**	32,120
Accounts receivable	**2,470**	2,699

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balance and cash flows generated from operations to meet its requirements. The Company has the following financial liabilities as at September 30, 2010:

	Carrying value	2011	2012	2013
	$	$	$	$
Accounts payable and accrued liabilities	**14,506,573**	**14,506,573**	**-**	**-**
Amount due to related company	**108,119**	**108,119**	**-**	**-**
Other long-term liabilities	**1,451,062**	**-**	**814,666**	166,646
Commitments	**13,821,313**	**2,226,297**	**1,815,837**	1,739,470
	29,887,067	**16,840,989**	**2,630,503**	1,906,116

The Company generates enough cash from its operating activities and has sufficient available financing via its bank loan to finance its activities and to respect its obligations as they become due.

To manage short-term cash flow requirements, the Company maintains a portion of invested assets in liquid short-term notes. As at September 30, 2010, the Company holds $3,500,274 in short-term notes. The short-term notes have maturities up to six months and are issued by the Government of Canada. The Company does not hold any non-bank, asset-backed commercial paper.

24. Financial instruments and risk management (continued)

Fair value

The fair value of cash, restricted cash, short-term notes, accounts receivable, loans to related companies, accounts payable and accrued liabilities, amount due to related companies, due to shareholders of the joint venture and client deposits is approximately equal to their carrying values due to their short-term maturities.

The estimated fair value of the mortgage loan approximated its carrying value as the loan contains similar terms and conditions that the Company could currently obtain.

The cost of the long-term investment and mutual fund investment is $1,375,324 while the fair value is $1,383,260 and the unrealized gain of $7,936 is reflected in other comprehensive income.

Fair value hierarchy

Financial instruments recorded at fair value on the consolidated balance sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table presents the financial instruments recorded at fair value in the consolidated balance sheets, classified using the fair value hierarchy described above:

	Level 1	Level 2	Total financial assets financial at fair value
	$	**$**	**$**
Financial assets			
Cash	**2,118,278**	**-**	**2,118,278**
Short-term notes	**3,500,274**	**-**	**3,500,274**
Mutual fund investments under management of the Company	**742,077**	**271,880**	**1,013,957**
Long-term investment	**-**	**369,303**	**369,303**
Total financial assets	**6,360,629**	**641,183**	**7,001,812**

25. Capital management

The Company's capital comprises share capital, retained earnings and long-term debt, including the current portion, less cash and cash equivalents. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt.

In order to maintain its capital structure, the Company may issue new shares or proceed to the issuance or repayment of debt and acquire or sell assets to improve its financial performance and flexibility.

In order to be in compliance with Canadian securities administration regulations the Company is required to maintain a minimum working capital of $200,000 as defined in regulation 31-103.

26. Segmented information

Management of the Company has determined that the Company's segment is investment management services in Canada and all assets are located in Canada.