Consolidated Financial Statements of

IBI INCOME FUND

Years ended December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Unitholders' of IBI Income Fund:

We have audited the accompanying consolidated financial statements of IBI Income Fund, which comprise the consolidated balance sheets as at December 31, 2010 and December 31, 2009, the consolidated statements of earnings and comprehensive income, changes in unitholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of IBI Income Fund as at December 31, 2010 and December 31, 2009, and its consolidated results of operations and its consolidated cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 21, 2011

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IBI INCOME FUND

Consolidated Balance Sheets
(In thousands of dollars)

As at December 31, 2010 and December 31, 2009

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	$ 3,662	$ 6,940
Accounts receivable, net of allowance for doubtful accounts of $7,493 (2009 – $5,431)	134,038	123,293
Work in process	90,884	84,607
Prepaid expenses and other assets	6,375	5,203
Future income tax asset (note 11)	37	631
	234,996	220,674
Future income tax asset (note 11)	7,046	4,067
Deferred charges	824	847
Property and equipment (note 6)	6,852	7,734
Intangible assets (note 7)	28,198	28,163
Goodwill (note 8)	166,797	155,075
	$ 444,713	$ 416,560
Liabilities and Unitholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 50,991	$ 51,773
Distributions payable	2,393	2,368
Due to related parties (notes 1 and 17)	26,000	454
Notes payable	11,046	16,727
Deferred revenue	12,943	13,331
Term debt (note 9)	34,650	32,333
Income taxes payable (note 11)	2,115	1,580
Future income tax liability (note 11)	1,972	1,705
	142,110	120,271
Future income tax liability (note 11)	10,384	9,242
Notes payable	2,784	5,001
Long-term debt (note 9)	48,865	50,000
Unrealized interest rate swap losses (note 16)	628	1,442
Convertible debentures (note 10)	58,658	41,047
Non-controlling interest (note 13)	42,327	44,794
Unitholders' equity (note 13):		
Unit capital	170,200	167,446
Deficit	(25,275)	(18,977)
Convertible debenture – equity component (note 10)	4,524	2,828
Accumulated other comprehensive loss	(10,492)	(6,534)
	138,957	144,763
	$ 444,713	$ 416,560

Commitments, contingencies and guarantees (note 15)
Subsequent events (note 21)

See accompanying notes to consolidated financial statements.

On behalf of the Trustees:

(Signed) Allen Karp (Signed) Philip H. Beinhaker

IBI INCOME FUND

Consolidated Statements of Earnings and Comprehensive Income
(In thousands of dollars, except per unit amounts)

For the years ended December 31, 2010 and 2009

	2010	2009
Revenue:		
Fees	$ 290,398	$ 273,673
Expenses:		
Salaries, fees and employee benefits (note 17)	193,956	179,803
Rent (note 17)	17,837	16,458
Other operating	36,502	32,937
Gain on disposal of business unit (note 5)	–	(594)
Change in fair value of derivative	(814)	–
Foreign exchange loss	264	3,378
Amortization of property and equipment	3,699	3,945
Amortization of intangible assets	7,426	8,724
Impairment of goodwill and intangible assets (notes 7 and 8)	–	3,039
Purchase price adjustment (note 5)	–	2,346
Interest	10,488	7,139
	269,358	257,175
Earnings before income taxes	21,040	16,498
Income tax expense (recoverable) (note 11)		
Current	3,271	4,017
Future	(2,063)	(605)
	1,208	3,412
Earnings before non-controlling interest	19,832	13,086
Non-controlling interest (note 13)	(5,572)	(3,917)
Net earnings	$ 14,260	$ 9,169
Other comprehensive income:		
Unrealized losses on translating financial statements of self sustaining foreign operations	(3,958)	(5,583)
Change in fair value of derivatives designated as cash flow hedges	–	512
Comprehensive Income	$ 10,302	$ 4,098
Basic and diluted earnings per unit(1)	$ 1.1098	$ 0.7568

(1) Any impact of the convertible rights on the debentures are not included in the calculation of net earnings per unit or weighted average number of units outstanding as they would be anti-dilutive.

See accompanying notes to consolidated financial statements.

IBI INCOME FUND

Consolidated Statements of Changes in Unitholders' Equity
(In thousands of dollars)

For the years ended December 31, 2010 and 2009	2010	2009
Unit Capital:		
Unit capital, beginning of year	$ 167,446	$ 148,640
Units issued (note 13)	2,754	18,806
Unit capital, end of year	170,200	167,446
Deficit:		
Deficit, beginning of year	(18,977)	(8,033)
Net earnings	14,260	9,169
Distributions declared to unitholders	(20,558)	(19,518)
Issue costs	–	(595)
Deficit, end of year	(25,275)	(18,977)
Convertible debentures – equity component:		
Beginning of year	2,828	–
Issuance of convertible debentures (note 10)	1,696	2,828
Balance, end of year	4,524	2,828
Accumulated other comprehensive loss:		
Balance, beginning of year	(6,534)	(1,463)
Unrealized gains and losses on translating financial statements of self sustaining foreign operations	(3,958)	(5,583)
Change in fair value of derivatives designated as cash flow hedges	–	512
Balance, end of year	(10,492)	(6,534)
Total unitholders' equity, end of year	$ 138,957	$ 144,763

See accompanying notes to consolidated financial statements.

IBI INCOME FUND

Consolidated Statements of Cash Flows
(In thousands of dollars)

For the years ended December 31, 2010 and 2009

	2010	2009
Cash provided by (used in):		
Operating activities:		
Net earnings	$ 14,260	$ 9,169
Items not affecting cash:		
Amortization of property and equipment	3,699	3,945
Amortization of intangible assets	7,426	8,724
Accretion of convertible debenture issue costs	391	92
Impairment of goodwill and intangible assets (notes 7 and 8)	–	3,039
Change in fair value of derivative	(814)	–
Gain on sale of business unit	–	(594)
Future income taxes	(2,063)	(605)
Non-controlling interest	5,572	3,917
Change in non-cash operating working capital (note 12)	(14,659)	(37,141)
	13,812	(9,454)
Financing activities:		
Notes payable	(11,582)	(19,883)
Long term debt	1,182	5,106
Distributions paid to Unitholders	(20,533)	(19,346)
Distributions paid to non-controlling interest	(8,039)	(8,709)
Issuance of units (note 13)	–	14,500
Issuance of convertible debentures (note 10)	18,916	46,000
Issue costs	–	(2,530)
Due to related parties	25,546	(74)
	5,490	15,064
Investing activities:		
Purchase of property and equipment	(2,271)	(1,804)
Acquisitions (note 5)	(17,069)	(5,605)
Disposition of business unit	–	3,158
	(19,340)	(4,251)
Effect of foreign currency translation	(3,240)	(3,303)
Net decrease in cash and cash equivalent	$ (3,278)	$ (1,944)
Cash and cash equivalents net, beginning of year	6,940	8,884
Cash and cash equivalents net, end of year	$ 3,662	$ 6,940
Supplemental cash flow information:		
Income taxes paid	$ 1,040	$ 2,495
Interest paid	10,097	7,139

See accompanying notes to consolidated financial statements.

1. Organization and description of the business:

IBI Income Fund (the "Fund") was an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario, which was created on July 23, 2004 to indirectly acquire and hold the outstanding Class A partnership units of IBI Group, a general partnership formed under the laws of the Province of Ontario. IBI Group also issued Class B partnership units to IBI Group Management Partnership (the "Management Partnership"), the entity that carried on the Fund's business prior to its acquisition by the Fund. As at December 31, 2010, the date immediately prior to the conversion of the Fund from an income trust to a corporate entity, the Management Partnership held 5,025,778 Class B partnership units representing 28.0% of the issued and outstanding units of IBI Group and, with affiliated partnerships, 3,227,050 units of the Fund, representing a total ownership of approximately 46.0% of IBI Group. The Management Partnership also held 5,025,778 non-participating voting units of the Fund, which together with the 3,227,050 units of the Fund held by the Management Partnership and affiliated partnerships, represented approximately 46.0% of the voting units of the Fund.

Through IBI Group, the Fund was, and its successor, IBI Group Inc. (the "Company") is, an international, multi-disciplinary provider of a broad range of professional services focused on the physical development of cities. IBI Group's business is concentrated in four main areas of development, being urban land, building facilities, transportation networks and systems technology. The professional services provided by IBI Group include planning, design, implementation, analysis of operations and other consulting services related to these four main areas of development.

On the closing of the Fund's initial public offering on August 31, 2004, the net working capital of the business of the Management Partnership was not acquired by the Fund. The remaining amount of such net working capital from the balance on hand at August 31, 2004 was managed by the Fund and repaid to the Management Partnership as it was realized. As at December 31, 2010, there was no amount owing to the Management Partnership (December 31, 2009 - $454).

The Fund completed a conversion from an income trust to a corporate structure by way of a court-approved Plan of Arrangement under the *Canada Business Corporations Act* (the "CBCA") on January 1, 2011 (the "Arrangement"). Pursuant to the Arrangement, holders of Fund Units received one Common Share of the Company for each Fund Unit held. In conjunction with the Arrangement, the Fund and IBI Holding Trust were wound-up effective January 1, 2011. As a result of the Arrangement, the Company now owns, directly or indirectly, the limited partnership units of IBI LP and the Class A Units of IBI Group as well as the common shares of General Partner Co. and General Partner Trustee.

The Company was incorporated pursuant to the provisions of the CBCA and did not carry on any active business prior to the Arrangement. The nature of the business and the Fund's financial condition are unaffected by the conversion to a corporation.

2. Basis of presentation:

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and include all of the assets, liabilities, revenue and expenses of the Fund and its subsidiaries.

These financial statements reflect only the activities carried on by the Fund. Transactions and balances between the underlying partnerships and companies have been eliminated.

3. Significant accounting policies:

The significant accounting policies followed by the Fund are summarized below:

(a) Revenue recognition and work in process:

Revenue is recognized based on the contractual terms of the agreement with the client adjusted to the estimated net realizable value as services are rendered. Billings in excess of time value incurred on jobs in progress, for which future services will be provided, are included in deferred revenue on the consolidated balance sheets.

The effect of revisions to estimated revenues and costs is recorded when the amounts are known and can be reasonably estimated. Where total contract costs exceed revenues, the anticipated loss is recognized as an expense.

Work in process, representing fee revenue and recoverable disbursements which have not been billed, is valued at estimated net realizable value.

Accounts receivable are classified as current or long-term based on anticipated payment dates.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash and unrestricted investments with initial maturities of three months or less. Such investments are carried at fair value.

Cash balances, which the Fund has the ability and intent to offset, are used to reduce reported bank indebtedness.

(c) Property and equipment:

Property and equipment are recorded at cost and amortized over their estimated useful lives as follows:

Asset	Basis	Rate
Office furniture and equipment	Diminishing balance	20%
Electronic data processing equipment	Straight line	2 years
Vehicles	Diminishing balance	20%
Leasehold improvements	Straight line	Term of lease

(d) Property and equipment, and intangible assets:

The cost of intangible assets with determinable lives is amortized over the period in which the benefits of such assets are expected to be realized, principally on a straight-line basis. Intangible assets comprise customer relationships, contracts and non-competition provisions acquired by the Fund. Amortization expense on the customer relationships, contracts and non-competition provisions, which have finite lives, has been recorded in the consolidated statements of earnings over their estimated economic lives being one to two years for contracts, three to four years for non-competition provisions and ten years for customer relationships.

The Fund evaluates the recoverability of long-lived assets, including property and equipment and intangible assets with determinable lives, on an annual basis or when events or a change in circumstances indicate that their carrying value may exceed their fair value. The determination of recoverability is based on an estimate of undiscounted cash flow expected to result from the use of the related asset and factors such as expected future asset utilization and business climate. Based on this review, if it is determined that the long-lived asset is not fully recoverable, an impairment loss is recognized. The impairment loss is measured based on the amount that the carrying value of the long-lived asset exceeds its fair value.

(e) Foreign exchange:

Assets and liabilities of self-sustaining foreign operations denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at each period-end date. Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the average foreign currency exchange rate for the year. The resulting exchange gains or losses on translation are recognized as part of accumulated other comprehensive loss.

Foreign exchange gains and losses on other transactions are recorded in income in the year in which they occur.

(f) Income taxes:

The Fund uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. Future income tax assets are evaluated and a valuation allowance, if required, is recorded against any future income tax asset if it is more likely than not that an asset will not be realized.

(g) Goodwill:

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values.

Goodwill is not amortized and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. When the carrying amount of goodwill exceeds the fair value of goodwill, an impairment loss is recognized in the amount equal to the excess and is presented as a separate line item in the consolidated statements of earnings.

(h) Financial Instruments:

Section 3855 requires all financial assets and financial liabilities to be classified as one of five categories. Financial assets are to be classified as either held for trading, available for sale, held to maturity or loans and receivables. Financial liabilities are to be classified as either held for trading or other financial liabilities. All financial assets and financial liabilities are to be carried at fair value in the consolidated balance sheet, except held to maturity financial assets, loans and receivables and other financial liabilities which are measured at cost or amortized cost. The Fund has classified financial assets and liabilities as follows:

- Accounts receivable and work in process are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Fund, the measured amount corresponds to cost due to their short-term maturity.

- Cash and cash equivalents and derivatives that are not designated as hedging instruments are classified as "Financial Assets Held for Trading". They are presented at their fair value and the gains/losses arising on the revaluation at each period end are included in consolidated income. The carrying value of bank indebtedness and cash is a reasonable estimate of their fair value due to their short-term maturity.
- Accounts payable and accrued liabilities, bank indebtedness, notes payable, convertible debentures and long-term debt are classified as "Other Financial Liabilities". They are initially presented at their cost or amortized cost. Subsequent measurements are at cost, net of amortization, using the effective interest rate method. For the Fund, that value corresponds to cost either as a result of their short term maturity, or the floating rate nature of some loans or because management estimates that the loans payable with fixed interest rates have no significant difference between their fair value and their carrying value, based on rates currently available to the Fund on loans with similar terms and remaining maturities.
- Derivative financial instruments that are designated as cash flow hedges are classified as "Assets and Liabilities Available for Sale". They are presented at their fair value, representing the approximate amount the Fund would receive or pay on settlement of these contracts at spot rates, and the gains/losses arising from the revaluation at the end of each period are included in other comprehensive income.

From time to time, the Fund enters into interest rate swap agreements to manage the risk associated with interest rate cash flow to the extent that its credit facilities are based on floating rates of interest. These are derivative financial instruments, and as such recognized at fair value. The fair value of these instruments is recorded in the balance sheet as either accounts receivable or payable. In 2009, the interest rate swap agreements were designated as cash flow hedges, and therefore any unrealized gains or losses are recorded in other comprehensive income. For the year ended 2010, the interest rate swap agreements are no longer designated as cash flow hedges and are treated as derivative instruments, therefore any unrealized gain or loss is included in net earnings or loss.

(i) Unit based compensation:

The Fund operates a Deferred Unit Plan which allows trustees to receive trustee fees in the form of deferred units rather than cash. These awards are accounted for using intrinsic value method such that the value of the units at their vesting date, including a distribution credit, together with subsequent changes in the unit price in relation to the deferred unit price are recorded as compensation expense until settled.

(j) Measurement uncertainty:

The preparation of financial statements 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 year. Significant estimates used in the preparation of these consolidated financial statements include the valuation of work in process, allowance for doubtful accounts receivable, the fair value of identifiable property, equipment and intangible assets acquired in business combinations, future cash flows used to estimate the fair value of reporting units for goodwill impairment purposes and the valuation of financial instruments. Actual results could differ from those estimates.

4. Changes in Accounting Policies

Recently issued but not yet adopted accounting pronouncements:

In January 2009, the CICA issued the new handbook Section 1582, "Business Combinations". This pronouncement further aligns Canadian GAAP with IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Concurrently, the CICA issued Handbook Sections 1601 "Consolidated Financial Statements," and 1602, "Non-Controlling Interests" which replace the existing standards. These sections establish the standards for the preparation of, and accounting for a non-controlling interest in a subsidiary in, consolidated financial statements. Each of these three sections is effective for fiscal years beginning on or after January 1, 2011.

In December 2009, the CICA issued EIC-175, Multiple Deliverable Revenue Arrangements ("EIC-175"). EIC-175, which replaces EIC-142, Revenue Arrangements with Multiple Deliverables, addresses some aspects of the accounting by a vendor with arrangements under which it will perform multiple revenue-generating activities. The new standard is effective for the Fund's interim and annual consolidated financial statements commencing on January 1, 2011 with earlier adoption permitted as of the beginning of a fiscal year.

In February 2008, the CICA announced that Canadian public companies will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS") for the fiscal years beginning on or after January 1, 2011. The Fund will issue its financial statements for the first quarter of 2011 in accordance with IFRS, including comparatives for 2010. As a result of this conversion to IFRS, early adoption of the above issued Canadian GAAP standards was not implemented.

5. Acquisitions:

Acquisitions are accounted for under the purchase method of accounting, and the results of operations since the respective dates of acquisition are included in the consolidated statements

of earnings and comprehensive income. From time to time, as a result of the timing of acquisitions in relation to the Fund's reporting schedule, certain of the purchase allocations may not be finalized at the time of reporting. Purchase price allocations are completed after the vendors' final financial statements and income tax returns have been prepared and accepted by the Fund. Such preliminary purchase price allocations are based on management's best estimates of the fair value of the acquired assets and liabilities. Upon finalization, adjustments to the initial estimates may be required. The purchase prices of acquisitions are generally subject to price adjustment clauses included in the purchase agreements. Such purchase price adjustments generally result in an increase or reduction to the promissory note consideration recorded at acquisition to reflect either more or less net working capital realized than was originally expected.

IBI Group has made the following acquisitions:

2010

- Effective June 1, 2010, IBI Group acquired the practice of Nightingale Associates Limited ("NAL").
- Effective February 1, 2010, IBI Group acquired the practice of MAAK Technologies Inc. ("MAAK").
- Effective December 31, 2010, IBI Group acquired the practice of CSM Engineering Ltd. ("CSM").

2009

- Effective November 1, 2009, IBI Group acquired the practice of Tetra Design Inc. ("Tetra")
- Effective August 1, 2009, IBI Group acquired the practice of Stevens Group Architects Inc. ("SGA")
- Effective August 1, 2009, IBI Group acquired the practice of BFGC Architects, Planners, Inc. ("BFGC")
- Effective May 1, 2009, IBI Group acquired the practice of Gruzen Samton Architects, Planners and Interior Designers LLP. ("Gruzen Samton")

During the first quarter of 2010, the Fund adjusted the purchase price on the Young & Wright Architects (including Lawrence Doyle, Young & Wright Architects), Gruzen Samton, BFGC, SGA, and Tetra acquisitions. These adjustments resulted in a decrease in net working capital of $1,357, a decrease in notes payable of $1,297, an increase in cash consideration of $66 and an increase in goodwill of $126.

During the second quarter of 2010, the Fund adjusted the purchase price on the Page + Steele, Martin + Marcotte Architects, and Rhon Ernest-Jones Consulting Engineers, Inc. These

adjustments resulted in a decrease in net working capital of $83, and a decrease in notes payable of $83.

During the third quarter of 2010, the Fund adjusted the purchase price on the Page + Steele Incorporated and SGA Inc. acquisitions. These adjustments resulted in a decrease in net working capital of $843, and a decrease in notes payable of $843.

During the fourth quarter of 2010, the Fund adjusted the purchase price on the BFGC and Tetra acquisitions. These adjustments resulted in a increase in net working capital of $30, a decrease in notes payable of $835 and a decrease in goodwill of $865.

The aggregate consideration for these acquisitions was allocated as follows:

	2010	2009
Cash consideration	$ 17,069	$ 5,605
Units issued	1,044	4,306
Notes payable issued, due 2011 through to 2012		
To be settled in cash	7,594	2,551
To be settled in units of the Fund	1,340	9,374
Purchase price	$ 27,047	$ 21,836
Net working capital	$ 6,400	$ 5,698
Property and equipment	686	1,203
Intangible assets		
Contract backlog	2,084	2,752
Client relationships	4,555	2,846
Other	1,092	1,202
Goodwill	13,448	11,283
Future tax liability	(1,218)	(3,148)
Net assets acquired	$ 27,047	$ 21,836

Additional consideration, specified in certain purchase agreements, may be payable based on future performance parameters. As at December 31, 2010, no provisions have been recorded in the Fund's financial statements in relation to the contingent consideration as it is not determinable whether the performance parameters will be achieved to warrant payment to the vendors. The contingent consideration will be recognized as an adjustment to goodwill in the period in which the contingency is resolved.

When IBI Group makes a strategic acquisition, members of the acquired entity may subsequently become members of the Management Partnership. In 2010, $5,025 was paid to partners of IBI Group Management Partnership, and $7,614 was paid to employees of IBI Group in relation to deferred compensation based on the underlying purchase prices agreed upon at the date of acquisition.

In 2009, IBI Group disposed of its Facilities Management Practice, which managed and operated recreational facilities on behalf of local municipalities. The proceeds from the disposal was $3,165, resulting in a net gain of $594.

6. Property and equipment:

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Office furniture and equipment	$ 6,025	$ 3,464	$ 2,561	$ 2,604
Electronic data processing equipment	11,869	9,686	2,183	2,084
Vehicles	256	116	140	145
Leasehold improvements	5,466	3,498	1,968	2,901
	$ 23,616	$ 16,764	$ 6,852	$ 7,734

7. Intangibles:

	2010		2009	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Contract backlog	$ 29,243	$ 27,666	$ 27,841	$ 24,274
Client relationships	30,395	5,936	27,309	4,870
Other intangible assets	4,884	2,722	6,374	4,217
	$ 64,522	$ 36,324	$ 61,524	$ 33,361
Net book value	$ 28,198		$ 28,163	

In accordance with its accounting policies, the Fund tests intangible assets with definite lives for recoverability when events or a change in circumstances indicate that their carrying amount may exceed their fair value. The determination of recoverability is based on an estimate of undiscounted cash flow expected to result from the use of the related asset and factors such as expected future asset utilization and business climate. Based on this review, if it is determined that the long-lived asset is not fully recoverable, an impairment loss is recognized. The impairment loss is measured based on the amount that the carrying value of the long-lived asset exceeds its fair value.

Based on the results of the review in 2010, the Fund concluded that there was no impairment of intangible assets.

8. Goodwill:

	2010	2009
Goodwill, beginning of year	$ 155,075	$ 148,354
Current year acquisitions	13,448	11,283
Current year disposal	–	(1,254)
Impairment	–	(1,764)
Adjustment to prior year acquisition	(740)	(186)
Foreign exchange	(986)	(1,358)
Goodwill, end of year	$ 166,797	$ 155,075

In accordance with its accounting policies, as at the end of each year, or more frequently if circumstances indicate that impairment may occur, the Fund conducts the annual goodwill impairment test. Goodwill impairment testing is a two-step process. In the first step, the fair value of reporting units is compared to their carrying value. If the carrying value of reporting units exceeds their fair value, goodwill is potentially impaired and step two of the impairment test must be performed. In step two, the estimated fair value of the goodwill of the reporting units is compared to the carrying value. If it is concluded that an impairment of goodwill exists, a reduction in the carrying value of goodwill is recorded on the consolidated balance sheets and recognized as a non-cash charge to income in the consolidated statement of earnings and comprehensive income.

Based on the results of the impairment test, the Fund concluded that there was no impairment of goodwill in 2010.

9. Bank indebtedness and long-term debt:

IBI Group has credit facilities totalling $150,000, consisting of a $10,000 swing facility (the "Swing Facility"), an $80,000 term facility (the "Term Facility"), and a $60,000 revolver facility (the "Revolver Facility"). The availability of each of the credit facilities is subject to compliance with certain financial and other covenants. The credit facilities mature on August 31, 2012.

The Swing Facility and the Revolver Facility are revolving facilities to be used by IBI Group (a) to repay existing bank debt, (b) for working capital purposes, (c) to normalize distributions to holders of Class A Units and Class B Units, (d) to finance the payment by the borrower of the remaining acquisition payments and (e) to finance permitted acquisitions (which for certainty, shall not include any hostile take-over bid). As at December 31, 2010, IBI Group had borrowings of $4,650 under the Swing Facility and $30,000 of borrowings under the Revolver Facility, compared with $6,400 of borrowings under the Swing Facility and $25,933 of borrowings under the Revolver Facility that were in place as at December 31, 2009.

The Term Facility is a non-revolving facility to be used by IBI Group to repay existing Debt to the lender. As at December 31, 2010, IBI Group had borrowings of $48,865 (2009 – $50,000) under the Term Facility.

In addition, a bid bond guarantee facility (the "Bid Bond Facility") of up to USD $20,000 continues to be made available to IBI Group to be used by IBI Group to meet certain project requirements calling for the issuance of bid bonds to international customers. As at December 31, 2010, IBI Group had issued bid bonds in the amount of $9,293 (2009 – $5,800) under the Bid Bond Facility.

Guarantees from certain subsidiaries of IBI Group as well as IBI Group Architects (Ontario), and a first ranking security interest in all of the assets of IBI Group and the guarantors, subject to certain permitted encumbrances have been pledged as security for the indebtedness and obligations of IBI Group under the Swing Facility, the Revolver Facility, the Term Facility and the Bid Bond Facility. The indebtedness secured by these security interests will rank senior to all other security over the assets of IBI Group and the guarantors, subject to certain permitted encumbrances.

Advances under the Swing Facility, Revolver Facility and the Term Facility bear interest at a rate based on the Canadian dollar or United States dollar prime rate, LIBOR or banker's acceptance rates, plus, in each case, an applicable margin. Letters of credit and letters of guarantee on customary terms for credit facilities of this nature are also available under the Swing Facility. The Bid Bond Facility is only available by way of letters of credit or letters of guarantee.

At December 31, 2010, the Fund had $24,000 (2009 - $24,000) notional amounts of interest-rate swap agreements outstanding with a fair value of the swap liability of $628 (2009 - $1,442). The terms of these swaps correspond to the terms of the underlying hedged interest payments on the term facility.

Cash balances, which the Fund has the ability and intent to offset, are used to reduce reported bank indebtedness when required.

10. Convertible debentures:

In conjunction with the prospectus offering that closed April 28, 2010, the Fund issued convertible redeemable 5.75% debentures ("5.75% Debentures") due June 30, 2017 totaling $20,000. Interest is payable semi-annually in arrears on June 30 and December 31 in each year commencing December 31, 2010. The 5.75% Debentures will be convertible into units of the Fund at the option of the holder at a conversion price of $20.52 per unit. The 5.75% Debentures will be redeemable by the Fund at a price of $1,000 per 5.75% Debenture, plus accrued and unpaid interest, on or after June 30, 2015 and prior to the maturity date (provided that, if the redemption is prior to June 30, 2015, the weighted average trading price of the units of the Fund on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days

ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price of $20.52). The 5.75% Debentures are compound financial instruments and the proceeds of the offering, at the time of issue, were allocated between a liability and equity component in the amount of $17,220 and $1,696 respectively. The equity component will reflect the value of the conversion option of the 5.75% Debentures.

In conjunction with the prospectus offering that closed September 30, 2009, the Fund issued convertible redeemable 7.0% debentures ("7.0% Debentures") due December 31, 2014 totaling $46,000. Interest is payable semi-annually in arrears on June 30 and December 31 in each year commencing December 31, 2009. The 7.0% Debentures will be convertible into units of the Fund at the option of the holder at a conversion price of $19.17 per unit. The 7.0% Debentures will be redeemable by the Fund at a price of $1,000 per 7.0% Debenture, plus accrued and unpaid interest, on or after September 30, 2012 and prior to the maturity date (provided that, if the redemption is prior to September 30, 2013, the weighted average trading price of the units of the Fund on TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price of $19.17). The 7.0% Debentures are compound financial instruments and the proceeds of the offering, at the time of issue, were allocated between a liability and equity component in the amount of $41,047 and $2,828, respectively. The equity component reflects the fair value of the conversion option of the 7.0% Debentures at the issuance date.

	Debt Component	Equity Component	Total
Balance, beginning of period	$ 41,047	$ 2,828	$ 43,875
Issuance of convertible debentures	17,220	1,696	18,916
Accretion of convertible debenture issue costs	391	–	391
Balance, end of period	$ 58,658	$ 4,524	$ 63,182

11. Income taxes:

The provision for income taxes in the consolidated statement of earnings represents an effective tax rate different than the Canadian enacted or substantively enacted statutory rate of approximately 31.0% (2009 – 33.0%). The differences are as follows:

	2010	2009
Expected income tax expense	$ 6,522	$ 5,444
Income tax effect of:		
Income of the Fund taxed directly to Unitholders	(5,533)	(3,351)
Operating in countries with different tax rates	(678)	(2,324)
Change in valuation allowance	120	3,212
Non-deductible expenses	561	173
Other	216	258
Income tax expense	$ 1,208	$ 3,412

The tax effect of temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases that give rise to significant portions of the future tax assets at December 31, 2010 and 2009 are presented below:

	2010	2009
Property and equipment	$ 540	$ 174
Non-capital loss	1,245	1,019
Reserves not currently deductible	708	(110)
Unitholders' equity – issuance costs	121	176
Intangible assets	(2,213)	(2,630)
Other	(1,788)	(1,126)
	(1,387)	(2,497)
Less valuation allowance	(3,886)	(3,752)
	$ (5,273)	$ (6,249)
Future income tax asset – current	$ 37	$ 631
Future income tax asset – long term	7,046	4,067
Future income tax liability – current	(1,972)	(1,705)
Future income tax liability – non-current	(10,384)	(9,242)
	$ (5,273)	$ (6,249)

The Fund was until December 31, 2010 a mutual fund trust for income tax purposes. As such, the Fund was subject to current income taxes on taxable income not distributed to its Unitholders. For 2010 the Fund has distributed all current taxable income to its Unitholders. No provision for current income taxes has been recorded with respect to the income earned directly by the Fund and its flow-through subsidiaries.

On June 22, 2007, legislation relating to the federal income taxation of publicly traded trusts and partnerships received royal assent (the "SIFT Rules"). These rules stipulate that the distribution of certain income by a publicly-traded trust that is a specified investment flow-through entity (a "SIFT") will not be deductible in computing the SIFT's taxable income, and the SIFT will be subject to tax on such income at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. These rules apply specifically to SIFTs which existed before November 1, 2006. Under the existing structure as a publicly traded income trust formed in 2004, the Fund would have been designated a SIFT trust, therefore making it subject to the tax consequences of the SIFT rules commencing with taxation years ending in 2011.

This change in legislation and its potential impact on the results of the Fund led to the Arrangement and the Fund's conversion to a corporation (the "Company"). Subsequent to the Arrangement, the Company is a taxable Canadian entity and therefore is liable to tax beginning in its 2011 taxation year.

As a result of the SIFT rules, the Fund recognized future income tax assets and liabilities with respect to the temporary differences between the carrying amount and tax bases of its assets and liabilities and those of its flow-through affiliated entities that were expected to reverse after 2010. Therefore, all differences between the tax bases and the accounting bases of the Fund and its flow-through affiliated entities are included in future tax assets and liabilities reported above (2009 – the excess of tax bases over accounting bases of $656 was not included in the reported future tax assets and liabilities).

The Fund's affiliated entities have $2,681 of operating loss carry forwards available for income tax purposes, which expire in the years 2015 through 2030.

12. Change in non-cash operating working capital:

	2010	2009
Accounts receivable	$ (10,745)	$ (12,813)
Work in process	(6,277)	(25,420)
Prepaid expenses and other assets	(1,172)	(547)
Deferred charges	23	(1,135)
Accounts payable	(782)	1,777
Deferred revenue	(388)	(3,421)
Income taxes payable	535	1,180
Acquisition of working capital	4,147	3,238
	$ (14,659)	$ (37,141)

13. Unitholders' equity and non-controlling interest:

	2010		2009	
	Units	Amount	Units	Amount
Balance, beginning of year	12,738,146	$167,446	11,292,807	$ 148,640
Units issued	186,327	2,754	1,445,339	18,806
Balance, end of year	12,924,473	$ 170,200	12,738,146	$ 167,446

During the fourth quarter of 2010, 17,600 Management Partnership units were exchanged for Fund units by the vendors of the shares of Stevens Group Architects Inc. at a price of $15.28 per unit for a total amount of $268.

During the third quarter of 2010, 64,647 units were issued as payment made against the promissory note for the acquisition of BFGC. These units were issued at a price of $13.89 per unit for a total amount of $898. The payment in respect of the note was satisfied by the delivery of Fund units equal to the dollar amount of the principal payment divided by the volume-weighted average trading value of the units for the five trading days prior to issuance of the units.

During the second quarter of 2010, 39,311 units were issued as payment made against the promissory note for the acquisition of Gruzen Samton. These units were issued at a price of $13.83 per unit for a total amount of $544. The payment in respect of the note was satisfied by the delivery of Fund units equal to the dollar amount of the principal payment divided by the volume-weighted average trading value of the units for the five trading days prior to issuance of the units.

During the first quarter of 2010, 64,769 units were issued as part of the payment made for the acquisition of MAAK. These units were issued at a price of $16.12 per unit for a total amount of $1,044. In addition, a promissory note was issued in the amount of $1,370 which is to be repaid in two instalments on the first and second anniversary of the note, subject to adjustment. All payments in respect of the note shall be satisfied by the delivery of Fund units equal to the dollar amount of the principal payment divided by the volume-weighted average trading value of the units for the five trading days prior to issuance of the units. Each unit represents an equal undivided beneficial interest in the Fund and any distributions from the Fund. Each unit is transferable, entitles the holder thereof to participate equally in distributions of the Fund, is not subject to future calls or assessments and entitles the holder to rights to redemption.

Each unit entitles the holder to one vote at all meetings of Unitholders and Non-Participating Unitholders.

The Class B partnership units of IBI Group are indirectly exchangeable for units on the basis of one unit of the Fund for each Class B subordinated partnership unit. If all such Class B partnership units of IBI Group had been exchanged for units on December 31, 2010, the units issued on such exchange would have represented a 28.0% interest in the Fund.

Class B partnership units do not entitle the holder to voting rights at the meetings of Unitholders and Non-Participating Unitholders. At the time of issuance of the Class B partnership units, one Non-Participating Voting unit of the Fund was issued to the holder of the Class B partnership units for each Class B partnership unit held. The Class B partnership units have been recorded as a non-controlling interest in the consolidated financial statements.

The movements in non-controlling interest are set out below:

	2010	2009
Balance, beginning of year	$ 44,794	$ 48,916
Earnings for the year	5,572	3,917
Distributions	(8,039)	(8,039)
Balance, end of year	$ 42,327	$ 44,794

14. Deferred Unit Plan:

During 2009, the Fund created a deferred unit plan ("DUP") for members of the Board of Trustees. Under the DUP, trustees of the Fund may elect to allocate all or a portion of their annual compensation in the form of deferred units rather than cash, These units are fully vested upon issuance and are classified as a liability on the consolidated balance sheets amounting to $354 (2009 - $175). Trustees can only redeem their DUPs for units when they retire.

During the year ended December 31, 2010, the Fund granted 14,313 deferred units (2009 – 9,831). At December 31, 2010, 24,144 (2009 – 9,831) deferred units were outstanding. Compensation expense for the year ended December 31, 2010 related to the deferred units was $233 (2009 – $215). There is no unrecognized compensation expense related to deferred units, since these awards vest immediately when granted.

The table below shows the DUP transactions for the year:

	For year ended December 31, 2010		For year ended December 31, 2009	
	Units	Value	Units	Value
Balance, beginning of year	9,831	$ 167	-	$ -
Deferred units issued	14,313	159	9,831	167
Deferred units redeemed	-	-	-	-
Balance, end of year	24,144	$ 326	9,831	$ 167

15. Commitments, contingencies and guarantees:

(a) Minimum annual rental payments for existing operating leases are as follows:

2011	$ 18,067
2012	15,382
2013	11,662
2014	5,780
2015	4,197
Thereafter	5,205

(b) In the normal course of business, the Fund is a defendant in a number of lawsuits. The potential liability, if any, is not determinable and in management's opinion, it would not have a material effect on these consolidated financial statements.

(c) In the normal course of business, the Fund provides indemnifications and, in very limited circumstances, bonds, which are often standard contractual terms, to counterparties in transactions such as purchase and sale contracts for assets or shares, service agreements, and leasing transactions. The Fund also indemnifies its Trustees and officers against any and all claims or losses reasonably incurred in the performance of their service to the Fund to the extent permitted by law. These indemnifications may require the Fund to compensate the counterparty for costs incurred as a result of various events, including changes in or in the interpretation of laws and regulations, or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnifications will vary based upon the contract, the nature of which prevents the Fund from making a reasonable estimate of the maximum potential amount that it could be required to pay to counterparties. The Fund carries liability insurance, subject to certain deductibles and policy limits that provides protection against certain insurable indemnifications. Historically, the Fund has not made any significant payments under such indemnifications, and no amounts have been accrued in the accompanying consolidated financial statements with respect to these indemnifications.

16. Financial instruments:

The Fund has exposure to market, credit and liquidity risk. The Fund's primary risk management objective is to protect the Fund's balance sheet, earnings and cash flow in support of achieving distribution targets, as well as sustainable growth and earnings. The Fund's financial risk management activities are governed by financial policies that cover risk identification, tolerance, measurement, authorization levels, and reporting.

Market risk

Interest Rate Risk

The Fund's financing strategy is to access public capital markets to raise equity financing and utilize the banking market to provide committed term and operating credit facilities to support its short-term and long-term cash flow needs. The Fund has floating-rate debt, which subjects it to interest rate cash flow risk.

The Fund enters into interest rate swaps to convert a portion of its debt from floating to fixed rates. As at December 31, 2010, $24,000 (2009 - $24,000) of interest rate swaps were outstanding. The terms of these swaps correspond to the terms of the underlying debt.

If the interest rate on the Fund's variable rate loan balance as at December 31, 2010, had been 50 basis points higher, with all other variables held constant, net earnings for the year would have decreased by approximately $302 (2009 - $292) after the impact of the swap. If the interest rate had been 50 basis points lower, there would have been an equal and opposite impact on net earnings.

Currency Risk

The Fund's foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. Foreign exchange gains or losses in the Funds net earnings arise on the translation of foreign-denominated assets and liabilities (such as cash balances, accounts receivable, accounts payable and term debt) held in the Funds Canadian operations. The Fund minimizes its exposure to foreign exchange fluctuations on these items by matching US-dollar liabilities.

If the exchange rates had been $0.01 higher or lower at December 31, 2010, with all other variables held constant, net earnings would have increased or decreased by $18.

Foreign exchange fluctuations may also arise on the translation of the Funds US-based subsidiaries and are recorded as cumulative translation adjustments in other comprehensive income.

The Fund's policy has been to utilize natural hedges to offset foreign exchange exposures rather than purchasing currency swaps and forward foreign exchange contracts.

Credit risk

Financial instruments that subject the Fund to credit risk consist primarily of accounts receivable and work in process. The Fund maintains an allowance for estimated credit losses on accounts receivable. The estimate is based on the best assessment of the ultimate collection

of the related accounts receivable balance based, in part on the age of the outstanding accounts receivable and on its historical collection and loss experience.

The Fund provides services to diverse clients in various industries and sectors of the economy, and its credit risk is not concentrated in any particular client, industry, economic or geographic sector. In addition, management reviews accounts receivable past due on an ongoing basis with the objective of identifying matters that could potentially delay the collection of funds at an early stage. The Fund monitors accounts receivable with an internal target of working days of revenue in accounts receivable (a non-GAAP measure). At December 31, 2010 there were 112 working days of revenue in accounts receivable, down from 114 days at December 31, 2009. The maximum amount of credit risk exposure is limited to the carrying amount of the balances in the financial statements.

Liquidity Risk

The Fund strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances. Management forecasts cash flows for its current and subsequent fiscal years to identify financing requirements. These requirements are then addressed through a combination of committed credit facilities and access to capital markets.

As at December 31, 2010, The Fund had $3,662 of cash and cash equivalents, $5,350 of unutilized credit available under its Swing Facility, $30,000 available under its Revolver Facility and $31,135 under its Term Facility.

Fair value

Fair value is the value that would be agreed upon in an arm's length transaction between willing and knowledgeable counter-parties. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, due to related parties, distributions payable and taxes payable approximate their fair values due to their short-term nature. The carrying value of notes payable and long-term debt approximates their fair values as the applicable interest rate is based on variable interest rates.

For fair value estimates relating to derivatives, the Fund classifies its fair value measurements within a fair value hierarchy, with reflects the significance of the inputs used in making the measurements as defined in CICA Handbook section 3862, *Financial Instruments – Disclosures.*

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observed inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observing market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also required an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The following table presents the Funds fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Cash and cash equivalents	$ 3,662	$ -	$ -	$ 3,662
Interest rate swap	$ -	$ 628	$ -	$ 628
Total	$ 3,662	$ 628	$ -	$ 4,290

The fair values of interest rate swaps are calculated using quotes obtained from major financial institutions adjusted for counterparty credit risk.

17. Related party transactions:

(a) Prior to March 11, 2010, IBI Group leased its Toronto office space from a corporation which is indirectly owned by the partners of the Management Partnership. The leases were entered into in 2002 at then current market rates of approximately $1,800 per annum, and expire on December 31, 2012. Effective April 1, 2009, IBI Group leased approximately 14,200 square feet of additional space under these leases at then current market rates, bringing the total annual lease payments under these leases to approximately $2,800.

On March 11, 2010, the buildings were sold to an outside party. As a result of this transaction, IBI Group extended its lease until December 31, 2013 and maintained the current market rental rates that it had been paying for premises. The total payment under the leases up to March 11, 2010 was approximately $486 (up to March 11, 2009 - $406).

(b) Pursuant to the Administration Agreement entered into in connection with the closing of the Fund's initial public offering, IBI Group and certain of its subsidiaries are paying to the Management Partnership an amount representing the base compensation for the services of the principals of the partners of the Management Partnership. This amount was $17,700 for the year (2009 - $15,400).

(c) During the first quarter of 2010, Management Partnership advanced $26,000 to IBI Group. The loan bears interest at the same rate as the operating line of credit that IBI Group has with its bank lender, less any commitment fees payable to its bank lender. The loans are subordinated to the Fund's indebtedness to its bank lender and are unsecured. The loans are to mature two years following the original issuance of the promissory note evidencing the loan. In February 2011, IBI Group repaid $6,000 of the advance.

18. Capital management:

The Fund's objective in managing capital is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future growth within the business. The Fund defines its capital as the aggregate of long-term debt and unitholders' equity.

The Fund seeks to maintain a sufficient balance of available bank credit to allow it to take advantage of acquisition opportunities on a timely basis without being required to access the public capital markets. The Fund has historically operated on the basis of using bank debt for acquisitions and as the bank debt increases, the Fund will then raise equity through a public offering, using the proceeds to reduce the bank debt. The maximum allowable amount of equity that the Fund could raise up until December 31, 2010 without exceeding limits legislated by the Federal Government for Income Trusts was not exceeded in 2010.

The Fund is subject to compliance with certain financial and other covenants related to its credit facilities. These covenants include but are not limited to, debt to EBITDA ratio, fixed charge coverage ratio, current ratio and distributions not to exceed distributable cash. Failure to meet the terms of one or more of these covenants may constitute a default, potentially resulting in accelerating the repayment of the debt obligation. As at December 31, 2010, the Fund was in compliance with all covenants under its credit facilities.

19. Segment information:

The Fund is an international, multi-disciplinary provider of a broad range of professional services focused on the physical development of cities. The Fund considers the basis on which it is organized, including geographic areas and service offerings, in identifying its reportable segments. Operating segments of the Fund are defined as components of the Fund for which separate financial information is available that is evaluated regularly in allocating resources and assessing performance by the chief operating decision maker, who is the Chief Executive Officer of IBI Group.

All operations of the Fund are included in one reportable segment - consulting services, that provides services throughout North America and internationally. Geographically, the operations of the Fund are disclosed as follows:

Property and equipment, goodwill, intangible assets as at December 31:

	2010	2009
Canada	$ 161,283	$ 162,208
United States	22,881	26,411
International	17,683	2,353
	$ 201,847	$ 190,972

Fees revenue for the years ended December 31:

	2010	2009
Canada	$ 180,673	$ 178,018
United States	73,508	67,539
International	36,217	28,116
	$ 290,398	$ 273,673

Revenue is attributed to countries based on the location of the work performed.

Customers

The Fund has a large number of clients in various industries and sectors of the economy. Revenue is not concentrated in any particular client.

20. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.

21. Subsequent Events:

(a) On January 1, 2011 the Fund completed the conversion from an income trust structure to a publicly traded corporate entity. Under the terms of the Arrangement, all of the outstanding trust units of the Fund were exchanged for common shares of the Company on the basis of one common share for each unit of the Fund. The Company has also assumed all obligations of the Fund with respect to the Fund's outstanding convertible debentures. The trustees of the Fund will continue as directors of the Company.

Common shares of the Company commenced trading on the TSX under the symbol "IBG" on January 4, 2011, at which time the units of the Fund were delisted. Following conversion, the basic structure of IBI Group, the entity carrying on the business of IBI, as a partnership with two partners will continue. The Company, rather than the Fund, holds all of the Class A

partnership units of IBI Group and IBI Group Management Partnership continues to hold all of the Class B partnership units of IBI Group.

(b) In conjunction with the prospectus offering that closed January 28, 2011, the Company issued convertible redeemable 6.0% debentures ("6.0% Debentures") due June 30, 2018 totalling $57,500. Interest is payable semi-annually in arrears on June 30 and December 31 in each year commencing June 30, 2011. The 6.0% Debentures will be convertible into common shares of the Company at the option of the holder at a conversion price of $21.00 per share. The 6.0% Debentures will be redeemable by the Company at a price of $1,000 per 6.0% Debenture, plus accrued and unpaid interest, on or after June 30, 2014 and prior to the maturity date (provided that, if the redemption is prior to June 30, 2016, the weighted average trading price of the shares of the Company on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price of $21.00). The 6.0% Debentures are compound financial instruments and the proceeds of the offering, at the time of issue, were allocated between a liability and equity component in the amount of $54,136 and $3,364 respectively. The equity component will reflect the value of the conversion option of the 6.0% Debentures.

(c) On January 24, 2011, IBI Group completed the merger of the practice of Cardinal Hardy Architectes, ("CHA") with Beinhaker Architecte within the IBI Group of firms. In parallel, the company Groupe Cardinal Hardy Inc. has merged directly within IBI Group. CHA is a full service architectural practice known for its outstanding design and technical work ranging from institutional projects in transportation, social infrastructure including building facilities in education and health, private development projects by leading developers in the Greater Montreal Region. The firm is also expert with an outstanding portfolio of work in urban design and landscape architecture.

(d) In March 2011, IBI Group concluded arrangements for the merger / acquisition of Bay Architects Inc, (Bay) in Houston, Texas. Bay is an architectural firm that specializes in educational facilities, (schools and community colleges), along with other areas of architectural practice in civic, other institutional, retail, office and industrial facilities. Bay will be a further strategic component of the growing international practice of the IBI Group in education. Bay will also provide the strategic platform for IBI Group for growth in the large and prosperous State of Texas.