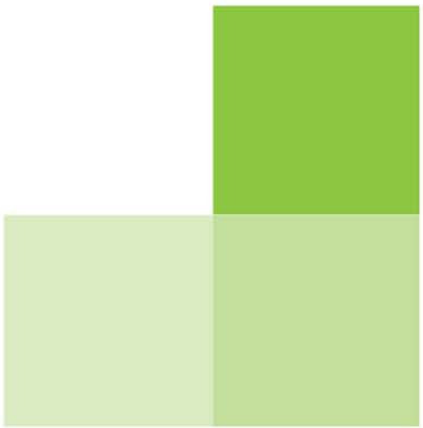


Consolidated Financial Statements

2011 year-end



GENIVAR Inc.

Consolidated Financial Statements
December 31, 2011, and 2010

(in thousands of dollars)

March 23, 2012

Independent Auditor's Report

To the Shareholders of
GENIVAR Inc.

We have audited the accompanying consolidated financial statements of GENIVAR Inc., which comprise the consolidated statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and the related notes, which comprise 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 International Financial Reporting Standards, 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.

Auditor's 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 audits 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 the auditor's 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, the auditor considers 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.

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"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



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 financial position of GENIVAR Inc. as at December 31, 2011, December 31, 2010 and January 1, 2010 and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP[1]

[1] Chartered accountant auditor permit No. 19042

GENIVAR Inc.

Consolidated Statements of Financial Position

As at December 31, 2011, and 2010 and January 1, 2010

(in thousands of Canadian dollars)

	December 31, 2011	December 31, 2010	January 1, 2010
Assets	**$**	**$**	**$**
Current assets			
Cash and cash equivalents (note 6)	144,031	26,961	51,887
Accounts receivable (note 7)	189,275	192,333	143,278
Income taxes receivable (note 23)	1,517	836	-
Costs and anticipated profits in excess of billings	68,373	61,301	51,292
Prepaid expenses	5,666	8,564	4,710
	408,862	289,995	251,167
Non-current assets			
Investments (note 8)	2,179	-	-
Property, plant and equipment (note 9)	39,321	34,522	30,555
Intangible assets (note 10)	75,971	85,561	79,696
Goodwill (note 11)	199,716	181,749	146,446
Total assets	726,049	591,827	507,864
Liabilities and equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (note 13)	104,466	88,064	69,404
Income taxes payable (note 23)	1,810	536	347
Billings in excess of costs and anticipated profits	17,699	21,096	24,836
Distributions payable on financial liability related to LP Units	-	-	5,210
Dividends/distributions payable to shareholders/unitholders (note 25)	12,239	18,334	10,409
Promissory notes	3,000	-	-
Loan payable (note 14)	5,356	5,698	6,000
Current portion of notes payable (note 15)	8,380	11,622	5,300
Current portion of balances payable to former shareholders (note 16)	5,124	-	-
	158,074	145,350	121,506
Non-current liabilities			
Notes payable (note 15)	3,000	3,238	1,768
Balances payable to former shareholders (note 16)	2,433	-	-
Bank advances (note 12)	50,000	54,334	-
Deferred income tax liabilities (note 23)	11,170	16,552	3,358
Financial liability related to LP Units (note 17)	-	-	245,083
Total liabilities	224,677	219,474	371,715
Equity			
Equity attributable to shareholders/unitholders			
Share capital/Fund units (note 18)	484,322	275,767	275,767
Accumulated other comprehensive loss	(223)	(293)	-
Retained earnings (deficit)	17,178	8,662	(139,618)
	501,277	284,136	136,149
Non-controlling interest (note 19)	95	88,217	-
Total equity	501,372	372,353	136,149
Total liabilities and equity	726,049	591,827	507,864

Commitments and contingencies (note 29)
Subsequent events (note 32)

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

Approved by the Board of Directors

(signed) Pierre Shoiry Director (signed) Pierre Seccareccia Director

GENIVAR Inc.

Consolidated Statements of Earnings

For the years ended December 31, 2011, and 2010

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data)

	2011 $	2010 $
Revenues	651,885	580,431
Costs (note 21)	395,295	349,469
Gross margin	256,590	230,962
Expenses		
Marketing, general and administrative (note 21)	167,979	146,125
Depreciation of property, plant and equipment	7,971	6,312
Amortization of intangible assets	17,311	16,859
Net interest expense (note 22)	4,311	1,337
Exchange loss (gain)	(983)	1,501
Unrealized gain arising from changes in fair value of financial liability related to LP Units (note 17)	-	(9,513)
Distributions on financial liability related to LP Units	-	5,663
	196,589	168,284
Earnings before income taxes	60,001	62,678
Income tax expenses (note 23)	9,945	11,728
Net earnings for the year	50,056	50,950
Net earnings attributable to:		
Shareholders/unitholders	50,052	39,219
Non-controlling interest	4	11,731
	50,056	50,950
Basic net earnings per share/unit	1.91	2.81
Basic and diluted weighted average number of shares (note 24)	26,233,234	-
Basic weighted average number of units (note 24)	-	18,103,589
Diluted net earnings per share/unit	1.91	2.26
Diluted weighted average number of units (note 24)	-	21,752,567

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

GENIVAR Inc.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2011, and 2010

(in thousands of Canadian dollars)

	2011 $	2010 $
Comprehensive income		
Net earnings for the year	50,056	50,950
Other comprehensive income (loss)		
Currency translation adjustment	148	(293)
Changes in fair value of an investment	(72)	-
Total comprehensive income for the year	50,132	50,657
Comprehensive income attributable to:		
Shareholders/unitholders	50,122	38,926
Non-controlling interest	10	11,731
	50,132	50,657

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

GENIVAR Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2011, and 2010

(in thousands of Canadian dollars)

	Attributable to shareholders/unitholders						
	Fund units $	**Share capital $**	**Retained earnings (deficit) $**	**Accumulated other comprehen-sive loss $**	**Total $**	**Non-controlling interest $**	**Total equity $**
Balance – January 1, 2010	**275,767**	**-**	**(139,618)**	**-**	**136,149**	**-**	**136,149**
Extinction of the conversion right (notes 17 and 19)	-	-	146,173	**-**	146,173	89,397	235,570
Comprehensive income							
Net earnings for the year	-	-	39,219	-	39,219	11,731	50,950
Currency translation adjustment	-	-	-	(293)	(293)	-	(293)
Total comprehensive income	**-**	**-**	**39,219**	**(293)**	**38,926**	**11,731**	**50,657**
Declared distributions to unitholders (note 25)	-	-	(37,112)	**-**	(37,112)	(12,911)	(50,023)
Balance – December 31, 2010	**275,767**	-	**8,662**	**(293)**	**284,136**	**88,217**	**372,353**
Balance – January 1, 2011	**275,767**	-	**8,662**	**(293)**	**284,136**	**88,217**	**372,353**
Reorganization							
Fund units exchanged for common shares (note 18)	(275,767)	275,767	-	-	-	-	-
Changes in tax status (note 23)	-	(721)	-	-	(721)	-	(721)
Acquisition of the non-controlling interest (note 4a))							
Common shares issued	-	229,730	-	-	229,730	-	229,730
Adjustment to equity	-	(179,134)	-	-	(179,134)	-	(179,134)
Elimination of the non-controlling interest (notes 4a) and 19)	-	-	-	-	-	(88,217)	(88,217)
Common shares issued in business acquisitions (note 4b))	-	2,007	-	-	2,007	-	2,007
Common shares issued related to an equity private placement (note 18a))	-	155,813	-	-	155,813	-	155,813
Common shares issued (note 18a))	-	860	-	-	860	-	860
Investment by a non-controlling interest in GENIVAR France (note 19)	-	-	-	-	-	85	85
Comprehensive income							
Net earnings for the year	-	-	50,052	-	50,052	4	50,056
Currency translation adjustment	-	-	-	142	142	6	148
Changes in fair value of investment	-	-	-	(72)	(72)	-	(72)
Total comprehensive income	**-**	**-**	**50,052**	**70**	**50,122**	**10**	**50,132**
Declared dividends to shareholders (note 25)	-	-	(41,536)	-	(41,536)	-	(41,536)
Balance – December 31, 2011	**-**	**484,322**	**17,178**	**(223)**	**501,277**	**95**	**501,372**

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

GENIVAR Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2011, and 2010

(in thousands of Canadian dollars)

	2011 $	2010 $
Cash flows generated from operating activities		
Net earnings for the year	50,056	50,950
Adjustments for:		
Depreciation and amortization	25,282	23,171
Income tax expenses (note 23)	9,945	11,728
Income taxes paid	(21,848)	(3,580)
Net interest expense (note 22)	4,311	1,337
Others	(4)	-
Unrealized gain arising from changes in fair value of financial liability related to LP Units (note 17)	-	(9,513)
Distributions on financial liability related to LP Units	-	5,663
	67,742	79,756
Change in non-cash working capital items (note 26)	4,793	(17,994)
Net cash and cash equivalents generated from operating activities	72,535	61,762
Cash flows generated from (used in) financing activities		
Dividends/distributions paid to shareholders/unitholders	(41,516)	(35,302)
Distributions paid to the non-controlling unitholder	-	(6,796)
Distributions paid on financial liability related to LP Units	-	(10,873)
Repayment of promissory notes	(12,000)	-
Repayment of loan payable and long-term debts	(342)	(1,187)
Repayment of notes payable	(10,112)	(11,533)
Repayment of balances payable to former shareholders	(8,799)	-
Interest paid	(4,311)	(1,337)
Net variation in bank advances	(4,334)	54,334
Investment by a non-controlling interest in GENIVAR France	85	-
Issuance of common shares, net of issuance costs	155,263	-
Net cash and cash equivalents generated from (used in) financing activities	73,934	(12,694)
Cash flows used in investing activities		
Business acquisitions (notes 4b) et d))	(20,093)	(51,632)
Cash acquired in the acquisition of the non-controlling interest	3,200	-
Variation in advances to the non-controlling unitholder	-	(9,967)
Proceeds from disposal of investment	9	-
Additions to property, plant and equipment	(8,603)	(6,092)
Proceeds from disposal of property, plant and equipment	175	323
Additions to intangible assets	(3,625)	(6,572)
Investments in a joint venture and in securities	(461)	-
Net cash and cash equivalents used in investing activities	(29,398)	(73,940)
Effect of exchange rate change on cash and cash equivalents	(1)	(54)
Net change in cash and cash equivalents	117,070	(24,926)
Cash and cash equivalents – Beginning of year	26,961	51,887
Cash and cash equivalents – End of year	144,031	26,961

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

Note		Page
1	Business description	9
2	Summary of significant accounting policies	10
3	Critical accounting estimates and judgments	20
4	Business acquisitions	21
5	Joint ventures	28
6	Cash and cash equivalents	30
7	Accounts receivable	31
8	Investments	32
9	Property, plant and equipment	33
10	Intangible assets	34
11	Goodwill	35
12	Credit facilities	36
13	Accounts payable and accrued liabilities	37
14	Loan payable	37
15	Notes payable	38
16	Balances payable to former shareholders	38
17	Financial liability related to LP Units	39
18	Share capital and Fund units	39
19	Non-controlling interest	42
20	Capital management	43
21	Expenses by nature	44
22	Net interest expense	45
23	Income taxes	45
24	Earnings per share or unit	49
25	Dividends and distributions	50
26	Statements of cash flows	50
27	Related party transactions	51
28	Financial instruments	53
29	Commitments and contingencies	57
30	Segment information	58
31	Transition to IFRS	59
32	Subsequent events	70

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

1 Business description

On January 1, 2011, GENIVAR Income Fund (the "Fund") completed a plan of arrangement providing for the reorganization of the Fund's income trust structure into a corporation named GENIVAR Inc. (the "Company" or "GENIVAR") and the simultaneous acquisition of the financial interest of the Fund's former non-controlling unitholder, GENIVAR Inc. ("Old GENIVAR"). Old GENIVAR was incorporated under the Canada Business Corporations Act and held investments until the completion of the plan of arrangement on January 1, 2011.

The Company is a consulting services firm providing private- and public-sector clients with a broad diversity of services in planning, engineering, architecture, surveying, environmental sciences, and project and construction management. The Company offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the design, construction, commissioning and maintenance phases. The Company operates in a variety of countries. The address of its main registered office is 1600, René-Lévesque West Boulevard, Montreal, Quebec. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "GNV."

The plan of arrangement was voted upon by the unitholders on May 27, 2010, and approved by the Superior Court of Quebec on June 14, 2010. GENIVAR now directly and indirectly owns and operates the businesses which were previously owned and operated by the Fund and its subsidiaries and also owns the assets and liabilities previously owned by Old GENIVAR. The members of the board of trustees and the senior officers of the Fund are now the officers and directors of GENIVAR.

Pursuant to the plan, the unitholders received, for each unit of the Fund held, one common share of GENIVAR representing in the aggregate 18,103,589 common shares of GENIVAR and the shareholders of the non-controlling unitholder, Old GENIVAR, received an aggregate of 7,908,294 common shares of GENIVAR in exchange for their 33.35% indirect interest in a subsidiary of the Fund prior to the conversion. As a result, the conversion of the Fund was treated as a change in business form and the consolidated financial statements of GENIVAR were accounted for as a continuation of the consolidated financial statements of the Fund. On January 1, 2011, there were 26,011,883 common shares of GENIVAR outstanding.

Previous to the plan of arrangement, the Fund was an unincorporated, open-ended, limited purpose trust created pursuant to the Fund's Declaration of Trust made as of March 31, 2006, as amended and restated on May 16, 2006, and was governed by the laws of the Province of Quebec. The Fund has been created to invest, through GENIVAR Operating Trust (the "Trust"), a wholly owned trust, in limited partnership units of GENIVAR Limited Partnership ("GENIVAR LP") and in shares of GENIVAR GP Inc. ("GENIVAR GP"), the general partner of GENIVAR LP. As a result of the reorganization, the Trust and the Fund were liquidated, GENIVAR LP wound up its operation and GENIVAR GP and some of the Fund's subsidiaries were amalgamated.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

2 Summary of significant accounting policies

Basis of preparation

These consolidated financial statements represent the first annual consolidated financial statements of the Company and its subsidiaries prepared in compliance with Canadian generally-accepted accounting principles as defined in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company adopted IFRS in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards." The first date at which IFRS was applied was January 1, 2010. In accordance with IFRS, the Company has:

- provided comparative financial information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied all effective IFRS standards as of December 31, 2011, as required; and
- applied certain optional exemptions and certain mandatory exceptions as applicable for first time IFRS adopters.

The Company's consolidated financial statements were previously prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Canadian GAAP differs in some areas from IFRS. In preparing these financial statements, Management has amended certain accounting, measurement and consolidation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. Note 31 contains reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, earnings and comprehensive income (loss) for the year ended December 31, 2010, along with line-by-line reconciliations of the statement of financial position as at December 31, 2010, and January 1, 2010.

These financial statements were approved by the Company's board of directors on March 23, 2012.

These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through the consolidated statement of earnings.

Consolidation and joint ventures

These consolidated financial statements include the accounts of the Company, its subsidiaries and all its special purpose entities for the year ended December 31, 2011, and the accounts of the Fund, its subsidiaries and all its special purpose entities for the year ended December 31, 2010, and prior.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

The Company conducts certain activities in joint ventures with other parties qualified as jointly controlled operations. The interests in such joint ventures are accounted for using the proportionate consolidation method, which results in the Company recording its pro rata share of the assets, liabilities, revenues, costs and cash flows of each of these jointly controlled operation using the most recent financial statements of the joint ventures available, which are not necessarily the ones as at the end of the reporting period. The Company also has an interest in a jointly controlled entity which is accounted for using the equity method and presented as an investment in the statements of financial position.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

All significant intercompany transactions and balances have been eliminated.

Special purpose entities

Special purpose entities ("SPE") as defined in SIC 12, "Consolidation – Special Purpose Entities" are entities which are created to accomplish a narrow and well-defined objective.

The Company consolidates SPEs when, based on the evaluation of the substance of the relationship with the Company, it concludes that it controls the SPE. Controls exist when the Company has the power, directly or indirectly to govern the financial and operating policies of the entity so that the Company obtains benefits from its activities, whether it holds shares or not. All of the Company's SPEs are consolidated.

Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency and the functional currency of the majority of its subsidiaries.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income in equity as currency translation adjustments.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of earnings within exchange loss (gain).

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and has been identified as the National Committee.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax and after eliminating sales within the group.

The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues and profits from cost-plus contracts with ceilings and from fixed price contracts are accounted for using the percentage-of-completion method, which is calculated on the ratio of contract costs incurred to total anticipated costs.

Revenues and profits from cost-plus contracts without stated ceilings and from short-term projects are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Company for subconsultants and other expenses that are recoverable directly from clients are billed to them and therefore are included in revenues. In all cases, the value of goods and services purchased by the Company, when acting as a purchasing agent for a client, is not recorded as revenue.

The effect of revisions to estimated revenues and costs is recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be significant. Where total contract costs exceed total contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation, where they are probable and can be determined reliably. Given the uncertainties associated with these types of contracts, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenues and profits.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Costs

Costs include the direct costs to deliver the service to the client, which includes the payroll costs, subconsultants fees and direct expenses.

Financial assets and financial liabilities

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

Loans and receivables

Cash and cash equivalents, accounts receivable, costs and anticipated profits in excess of billings and advances to the non-controlling unitholder are classified as loans and receivables. Financial assets classified as loans and receivables are accounted for at amortized cost using the effective interest rate method less any impairment loss.

Available for sale financial assets

Investments in securities are usually classified as available for sale. They are accounted at fair value with unrealized gains or losses recognized in other comprehensive income until the investment is derecognized.

Other liabilities

Accounts payable and accrued liabilities, dividends/distributions payable to the shareholders/ unitholders, loan payable, notes payable, balances payable to former shareholders, promissory notes, and bank advances are classified as other liabilities and are recorded at amortized cost using the effective interest rate method.

Financial liabilities at fair value through profit and loss (FVTP&L)

Financial liability related to LP Units is classified as FVTP&L and is measured at the current value of the redemption amount, which approximates fair value at the date of the statement of financial position. Unrealized gains and losses from changes in fair value are recorded in the consolidated statement of earnings.

Transaction costs

Transaction costs related to loans and receivables and other liabilities are considered as part of the carrying value of the asset and liability and are then amortized over the expected life of the instrument using the effective interest rate method. In addition, transaction costs related to business acquisitions are expensed as incurred.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Determination of fair value

The fair value of a financial instrument is the amount of consideration that would be agreed on in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data.

Hedge accounting

The Company does not use hedge accounting.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks as well as all highly liquid short-term investments with original maturities of three months or less.

Trade receivables

Trade receivables are amounts due from customers for the rendering of services in the ordinary course of business. Trade receivables are classified as current assets if payment is due within one year or less. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less impairment.

Investments

Investment held in jointly controlled entity is accounted for using the equity method. Investments in securities are accounted for at fair value with unrealized gains or losses recognized in other comprehensive income.

Property, plant and equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance costs are charged to the consolidated statement of earnings during the period in which they are incurred.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Land is not depreciated. Depreciation on other assets is calculated using the methods described below to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis. Management reviewed and modified the useful lives and depreciation methods of certain items of property, plant and equipment in order to better reflect their use in time. These changes were applied prospectively from January 1, 2011. Those modifications had no significant impact on the depreciation of property, plant and equipment for the year ended December 31, 2011.

The following table summarizes the new depreciation methods, rates and period used:

	Methods	**Rates and periods**
Buildings	Declining balance	4%
Leasehold improvements	Straight-line	Lease term
Furniture and equipment	Declining balance	30%
	Straight-line	10 years
Computer equipment	Straight-line	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of earnings within marketing, general and administrative expenses.

Intangible assets

Software and non-competition agreements

Software and non-competition agreements acquired separately from a business acquisition are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired in business acquisitions

Intangible assets acquired in business combinations consist of software, customer relationships and contract backlogs. They are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date. They are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization

Software, customer relationships, contract backlogs and non-competition agreements are considered intangible assets with finite useful lives. Based on the strength, long history and expected future use, the trade name is an indefinite-lived intangible asset.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

The other intangible assets are amortized as follows:

	Method	Periods
Software	Straight-line	3 to 7 years
Customer relationships	Straight-line	4, 10 and 14 years
Contract backlogs	Straight-line	18 to 36 months
Non-competition agreements	Straight-line	3 to 5 years

Management reviewed and modified the useful lives and depreciation methods of software in order to better reflect their use in time. These changes were applied prospectively from the fourth quarter of 2010. Those modifications had no significant impact on the amortization expense of software for the years ended December 31, 2011, and 2010.

Impairment of long-lived assets

Long-lived assets that have a finite useful life are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually in December. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

Notes payable and loan payable

Notes payable and loan payable are recognized initially at fair value, net of transaction costs incurred. Notes payable and loan payable are subsequently stated at amortized cost with any difference between the proceeds (net of transactions costs) and the redemption value recognized in the consolidated statement of earnings over the term of the debt using the effective interest method. Interest on indebtedness is expensed as incurred unless capitalized for qualifying assets in accordance with IAS 23, “Borrowing Costs.”

Notes payable and loan payable are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Employee benefits

The Company’s employees have entitlements under the Company’s defined contribution retirement savings plans. The cost of these pension plans is accounted for as an expense as the contributions become payable.

Income taxes

Beginning on January 1, 2011, the tax expense is comprised of current and deferred income tax. Tax is recognized in the consolidated statement of earnings except to the extent it relates to items recognized in other comprehensive income or directly in equity.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Prior to January 1, 2011, the Fund accounted for deferred income taxes. The cumulative effect of the deferred income taxes recognized and the income taxes recognized by operating subsidiaries subject to income taxes, was based on existing temporary differences that were expected to reverse after January 1, 2011, when the specified investment flow-through entities ("SIFT") Rules take effect.

The Company follows the liability method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement values and the tax values of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. However, the deferred income tax is not accounted for when arising from initial recognition of an asset or liability in a transaction other than a business combination, that affects at the time of the transaction neither accounting nor taxable profit or loss.

Deferred tax liabilities are generally recognized for all taxable temporary differences and for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. However, deferred tax is not recognized if it arises from the initial recognition of goodwill.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax assets and liabilities are presented as non-current.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. The Company leases certain office premises and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor. These are classified as operating leases. Payments made under these leases (net of any incentives received from the lessor) are charged to the consolidated statement of earnings on a straight-line basis over the period of the lease.

Share capital/fund units

Issuance costs directly attributable to the issuance of shares/units are recognized as a deduction from equity net of income tax effects.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Dividends and distributions

Dividends on common shares or distributions on Fund's units are recognized in the Company's financial statements in the period in which the dividends/distributions are declared.

Earnings per share/unit

Basic earnings per share/unit are determined using the weighted average number of shares/units outstanding during the year.

Diluted earnings per share/unit are determined using the weighted average number of shares/units outstanding during the period, plus the effects of dilutive potential shares/units outstanding during the period. The calculation of diluted earnings per share/unit is made using the treasury stock method.

Recent accounting pronouncements but not yet adopted

IFRS 9, "Financial Instruments," was issued in November 2009 and is mandatory for accounting periods beginning after January 1, 2015. This standard will replace IAS 39, "Financial Instruments: Recognition and Measurement." This standard presents two measurement categories: amortized cost and fair value. The standard specifies which kind of financial instruments are measured at amortized cost or at fair value. Guidance on financial liabilities and derecognition of financial instruments is also included. The Company does not anticipate that this change will have a material impact on its results of operations or financial position.

In 2011, the IASB issued standards that will be effective starting January 1, 2013. Early adoption is permitted.

- IFRS 10, "Consolidated Financial Statements," builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard replaces SIC-12, "Consolidation – Special Purpose Entities" and parts of IAS 27, "Consolidated and Separate Financial Statements."

- IFRS 11, "Joint Arrangements," provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard replaces IAS 31, "Interest in Joint Ventures" and SIC-13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers."

- IFRS 12, "Disclosure of Interests in Other Entities," is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- IFRS 13, "Fair Value Measurement," sets out a framework for fair value measurement and specifies disclosures related to fair value measurement.

- IAS 19, "Employee Benefits," has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. A number of amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment of taxes related to benefit plans, guidance on risk or cost sharing features, and expanded disclosures.

- In addition, there have been amendments to existing standards, including IAS 28, "Investment in Associates and Joint Ventures." This standard has been modified to include joint ventures in its scope and to address the changes brought to other standards.

IAS 1, "Presentation of Financial Statements," has been amended to require entities to separate items presented in other comprehensive income into two groups, based on whether or not items may be recycled in the future. Entities that choose to present other comprehensive income before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012.

The Company has not yet determined the impact of the adoption of these standards on its consolidated financial statements.

3 Critical accounting estimates and judgments

The preparation of financial statements requires Management to make estimates, and judgments about the future.

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectation of future events that are likely to materialize under reasonable circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth Management's:

- Most critical estimates and assumptions in determining the value of assets and liabilities; and
- Most critical judgments in applying accounting policies.

Critical accounting estimates and assumptions

Allowance for doubtful accounts

The Company must make an assessment of whether accounts receivable are recoverable from customers. Accordingly, Management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer creditworthiness, current economic trends and past experience. If future collections differ from estimates, future earnings would be adjusted accordingly.

As at December 31, 2011, the allowance was $5,319 ($7,341 as at December 31, 2010), of the gross trade accounts receivable balance of $187,272 ($182,994 as at December 31, 2010). An increase to the reserve based on 1.0% of accounts receivable would decrease earnings by approximately $1,873 for the year ended December 31, 2011 ($1,830 for 2010).

Furthermore, trade receivables from one government agency that represent a net amount of $13,331 are outstanding for more than 180 days. In assessing the value of these accounts, Management has used different assumptions about when those amounts will be collected and the percentage that can be recovered. Management believes, taking into account all actions that are undertaken, that the net carrying amount can be recovered during the next fiscal year. Further information can be found in note 28.

Other identifiable intangible assets and goodwill

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $263,379 of total assets on the consolidated statement of financial position as at December 31, 2011 ($254,387 as at December 31, 2010). These assets arise out of business combinations. The Company had a total consideration transferred of $27,759 for the 2011 business acquisitions ($71,490 for 2010) (notes 4b) and d)) and applied the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill, as well as the amortization period for identifiable intangible assets with finite lives. If results differ from estimates, the Company will record an increase in amortization or impairment charges.

Cost and anticipated profits in excess of billings

The Company values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. The costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of the costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Errors in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

4 Business acquisitions

The acquisitions have been accounted for using the acquisition method, and the operating results have been included in the consolidated financial statements from the date of acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the

combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

a) Acquisition of the non-controlling interest

As part of the reorganization that occurred on January 1, 2011, the Company acquired Old GENIVAR, the legal entity holding a non-controlling interest in GENIVAR LP, a subsidiary of the Fund. The consideration transferred for the acquisition of the non-controlling interest was adjusted for the fair value of the net liabilities assumed in Old GENIVAR. As the transaction primarily reflects a transaction amongst equity holders, the difference between the consideration transferred and the non-controlling interest (adjusted for the net liabilities assumed) was recorded as an adjustment to equity.

	$
Issuance of 7,908,294 common shares (note 18a))	229,730
Less: Acquisition of the units held in GENIVAR LP	(88,217)
Plus: Net liabilities assumed	33,297
Plus: Deferred income tax liabilities related to the acquisition of the non-controlling interest	4,324
Adjustment to equity	179,134

The acquisition of the non-controlling interest was made as part of the reorganization and conversion from an income trust structure to a corporation (note 1). The common shares issued were valued at the closing price on December 31, 2010, which was $30.43 per unit for a total amount of $240,648 less a discount of $10,918 relative to the lock-up agreements. The discount was calculated using the Black & Scholes model with a discount rate of 4.3%, 6.1% or 8.7% depending on the lock-up periods.

The Company had to recognize the deferred income tax assets and liabilities related to the acquisition of its non-controlling interest. On January 1, 2011, an amount of $4,324 was recognized as an increase of the deferred income tax liabilities and as a decrease of the shareholder's equity since this transaction is considered to be amongst equity holders.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

b) Other acquisitions made by the Company in 2011

- On February 1, 2011, the Company acquired all the outstanding shares of Delcom Engineering Ltd. ("Delcom"), a Prince Edward Island-based engineering consulting and land surveying firm. Through this acquisition, the Company reinforces its approach of being a global player with a strong local presence in Atlantic Canada.
- On February 28, 2011, the Company acquired all the outstanding shares of Decibel Consultants Inc. ("Decibel"), a Quebec-based engineering consulting firm specializing in architectural acoustics and industrial environmental noise measurement and control, which are additional specializations to the Company's range of expertise.
- On May 28, 2011, a special purpose entity controlled by the Company acquired all the outstanding shares of WHW Architects Incorporated ("WHW"), an Atlantic-based architectural consulting firm, which enables GENIVAR to increase the array of services actually offered and accelerates the Company's growth in Atlantic Canada.
- On July 1, 2011, the Company acquired all the outstanding shares of Groupe OptiVert inc. ("OptiVert"), a Quebec-based engineering consulting firm specialized in forest management consulting services. This acquisition adds to the Company's current array of expertise in environment.
- On July 1, 2011, the Company acquired all the outstanding shares of JMH Environmental Solutions Ltd. ("JMH"), an Alberta-based engineering consulting firm specialized in oil and gas environmental consulting. The Company diversifies its environmental expertise through this acquisition.
- On July 15, 2011, the Company acquired all the outstanding shares of Dakins Engineering Group Ltd. ("Dakins"), an Ontario-based engineering firm specialized in water and wastewater management, which allows the Company to better serve the Municipal Infrastructure market segment, as well as leverage its expertise into the Industrial and Energy market segment.
- On August 28, 2011, a special purpose entity controlled by the Company acquired all the outstanding shares of Arcop Design Inc. ("Arcop") while it established a strong alliance with Le Groupe Arcop S.E.N.C., a Quebec-based architectural consulting firm. This alliance allows the Company to offer integrated solutions for its national and regional clients in the Building market segment.
- On October 2, 2011, the Company acquired all the outstanding shares of ISACtion Inc. ("ISAC"), a Quebec-based firm specialized in industrial automation integration. This acquisition should help the Company to meet its clients' growing needs in the aluminum and mining sectors.
- On October 2, 2011, the Company acquired an interest in a Quebec-based geomatics group and land surveying firm ("Giroux") by acquiring all the preferred shares and 49% of the common shares of Groupe Giroux Inc. and Groupe Giroux arpenteurs-géomètres Inc. and all the shares of Giroux équipement d'arpentage Inc. and Entreprise Normand Juneau Inc. This

acquisition enables the Company to build a solid platform in Quebec in these fields and reinforces GENIVAR's range of client services.

- On December 1, 2011, a special purpose entity controlled by the Company acquired all the outstanding shares of AE Consultants Ltd. ("AE Consultants"), a professional service firm in architecture and engineering based in Newfoundland and Labrador. Through this acquisition, the Company is delivering its growth strategy of expanding across Canada as the Company is now established in all ten Canadian provinces.

The final assessment of the fair values of the assets acquired and liabilities assumed of Delcom, Decibel, WHW, OptiVert, JMH, Dakins, ISAC and Giroux is completed by Management, in certain cases with the assistance of an independent valuator. The assessment of the fair values of the identifiable net assets acquired of Arcop and AE Consultants is preliminary, but the Company does not anticipate any significant changes upon the finalization of the evaluation. No individual acquisition were material, therefore the Company has chosen to present them aggregated.

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Assets acquired	
Current assets	18,584
Property, plant and equipment	2,794
Intangible assets	4,078
	25,456
Liabilities assumed	
Current liabilities	14,363
Deferred income tax liabilities	1,270
	15,633
Net identifiable assets acquired	9,823
Goodwill	17,936
Consideration	27,759
Plus (less):	
Net cash acquired	931
Notes payable	(6,590)
92,912 common shares issued*	(2,007)
Net cash used for the acquisitions	20,093

* The shares issued were valued using the closing price at the acquisition dates, less issuance-related costs.

The contingent consideration arrangements require the Company to pay the former owners of the acquired business considerations that are contingent on achieving a specified level of earnings in future periods. A total amount of $2,400 was recorded at the acquisition date, which represents the fair value of the contingent considerations. The potential undiscounted amount of all future payments that the Company could be required to make under those arrangements are

between $0 and $3,000. As of December 31, 2011, no amounts were recognized in the statement of earnings for contingent consideration arrangement as the assumed probability was not modified from the initial assumption.

Goodwill is attributable to the workforce of the acquired businesses and the significant synergies expected to arise after the acquisition with the Company's current market segments. None of the goodwill recognized is expected to be deductible for income tax purposes.

The aggregated acquired businesses contributed revenues of $20,097 to the Company's results, from the date of their acquisitions to December 31, 2011. If the acquisitions had occurred on January 1, 2011, the Company revenues for the year would have increased to $681,766. The Company integrates the operations and systems of acquired businesses shortly after their acquisition date. Therefore, it is impracticable for the Company to disclose the acquiree's earnings since the acquisition date.

The receivables acquired (which principally comprise trade receivables) had a fair value and a gross contractual amount of $13,279.

(c) Finalization in 2011 of the assessment of the fair values

During the year 2011, the Company finalized the assessment of the fair values of the identifiable net assets acquired, pertaining to the acquisitions of Beaubien Glover Maskell Engineering North Inc. ("BGME"), Bearden Engineering Consultants Ltd. ("Bearden"), Terrain Group Inc. ("Terrain"), ANO Architects Inc. ("ANO"), Pryde Schropp McComb Inc. ("PSMI"), Aquapraxis Inc. ("Aquapraxis"), Tundra Engineering Associates Ltd. ("Tundra") and Hirschfield Williams Timmins Ltd. ("HWT"), realized in 2010. The final assessment, completed by Management and, in certain cases, with the assistance of an independent valuator, resulted in an increase in software of $84, a decrease in deferred income tax liabilities of $355, in a decrease in customer relationships of $1,023 and a decrease in contract backlogs of $349. As a result of these changes, goodwill increased by $933. The 2010 comparative figures have been adjusted to reflect these changes. The decrease in amortization expense on intangible assets from the acquisition date to December 31, 2010, was not significant. Therefore, no adjustments were made to the amortization expense.

(d) Acquisitions made by the Fund in 2010

- On February 1, 2010, the Fund acquired all the assets and liabilities of V.B. Cook Co. ("Cook"), an Ontario-based multidisciplinary consulting engineering firm. Cook's expertise complements GENIVAR's strength addressing client needs in green energy projects and enables the Company to expand its presence in Ontario.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

- On March 1, 2010, the Fund acquired all the assets and liabilities of Thompson Rosemount Group ("Thompson"), an Ontario-based multidisciplinary consulting engineering firm. Thompson's acquisition expands the Company's client base, particularly in the Municipal Infrastructure, Transportation and Industrial sectors and brings a large project portfolio in the healthcare, educational and institutional sectors in Ontario.

- On April 30, 2010, the Fund acquired all the outstanding shares of BGME, an Alberta-based building engineering consulting firm. This acquisition enables the Company to expand its building design and engineering services in Alberta, more precisely in electrical engineering.

- On April 30, 2010, the Fund acquired all the outstanding shares of Bearden, an Alberta-based building engineering consulting firm. This acquisition enables the Company to expand its building design and engineering services in Alberta, more precisely in structural engineering and architectural design services.

- On June 1, 2010, the Fund acquired all the outstanding shares of Terrain, an Atlantic Canada-based municipal infrastructure, planning, land surveying, transportation and environmental engineering consulting firm. Through this acquisition, the Company establishes an important foothold in Atlantic Canada with Terrain's strong local presence and enhances its expertise and client base.

- On June 10, 2010, the Fund acquired all the outstanding shares of ANO, an Ontario-based architectural consulting firm. This acquisition accelerates the expansion in Northern Ontario and allows GENIVAR's clientele to benefit from the Company's one-step approach to engineering combined with architectural services.

- On September 2, 2010, the Fund acquired all the outstanding shares of PSMI, an Ontario-based firm specializing in engineering, project management, planning and software solutions for the aviation industry. PSMI allows the Company to be positioned as a strategic partner for the aviation sector clients.

- On November 1, 2010, the Fund acquired all the outstanding shares of Aquapraxis, a Quebec-based engineering firm specializing in urban hydrology, urban networks and water resource management, which allows the Company to reinforce its consulting services.

- On December 1, 2010, the Fund acquired all the outstanding shares of Tundra, an Alberta-based infrastructure engineering firm. Tundra positions the Company in the oil and gas industry in terms of delivering upstream infrastructure projects for natural gas and oil facilities.

- On December 4, 2010, the Fund acquired all the outstanding shares of HWT, a British Columbia-based full service mechanical engineering firm specialized in building systems. This acquisition completes GENIVAR's building engineering services on Vancouver Island.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

In 2010, the final assessment of the fair values of the identifiable net assets acquired of Cook and Thompson were completed by Management with the assistance of an independent valuator. The assessment of the fair values of BGME, Bearden, Terrain, ANO, PSMI, Aquapraxis, Tundra and HWT were preliminary and have been finalized in 2011 (note 4c)). No individual acquisition were material, therefore the Company has chosen to present them aggregated.

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Assets acquired	
Current assets	34,395
Property, plant and equipment	4,433
Intangible assets	16,317
	55,145
Liabilities assumed	
Current liabilities	15,919
Deferred income tax liabilities	3,107
	19,026
Net identifiable assets acquired	36,119
Goodwill	35,371
Consideration	71,490
Less:	
Net cash acquired	(533)
Notes payable	(19,325)
Net cash used for the acquisitions	51,632

The contingent consideration arrangements require the Company to pay the former owners of the acquired business considerations that are contingent on achieving a specified level of earnings in future periods. An amount of $2,311 was recorded at the acquisition date that represents the fair value. The potential undiscounted amount of all future payments that the Company could be required to make under those arrangements is between $0 and $2,500. As of December 31, 2011, no adjustments were recognized in the statement of earnings for contingent consideration arrangement as the assumed probability was not modified.

Goodwill was attributable to the workforce of the acquired businesses and the significant synergies expected to arise after the Fund's acquisition. Goodwill amounting to $8,640 was deductible for income tax purposes.

The aggregated acquired businesses contributed revenues of $56,253 to the Fund's results, from the date of their acquisitions to December 31, 2010. If the acquisitions had occurred on January 1, 2010, the Fund revenues would have been $630,045. The Company integrates the operations and systems of acquired businesses shortly after their acquisition date. Therefore, it is impracticable for the Company to disclose the acquiree's earnings since the acquisition date.

The receivables acquired (which principally comprised trade receivables) had a fair value and a gross contractual amount of $29,178.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

(e) Finalization in 2010 of assessment of the fair values

During the year 2010, the Fund finalized the assessment of the fair values of the identifiable net assets acquired pertaining to the acquisitions in 2009 of ENAQ, Algal & Associates, Jagger Hims, WM.R. Walker Engineering, Magnate Engineering & Associates, Magnate Communications Corp., Progemes Consultants, Gilles Taché & Associés and Harp Engineering and Design. The final assessments, completed by Management with the assistance of an independent valuator, resulted in revisions of previously reported amounts such as a decrease in customer relationships of $2,111, an increase in contract backlogs of $94, an increase in deferred income tax liabilities of $66, an increase in liabilities of $16 and a decrease of retained earnings of $113. These adjustments have been accounted for retroactively as at the acquisition date. As a result of these changes, goodwill increased by $1,986. The 2010 opening balance and comparative figures have been adjusted to reflect these changes.

5 Joint ventures

The Company holds interests in jointly controlled operations. The lists below present the most significant ones.

2011

Name	Interest
SM Gespro inc.	50%
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%
GENIVAR / WASKA	80%
Groupement SLG	43%
Consortium GENIVAR / CIMA+ / DESSAU	33%
Consortium GENIVAR / DESSAU / ROCHE	40%
Consortium GENIVAR / AECOM TECSULT	55%
Consortium SM / DESSAU-SOPRIN / GENIVAR	33%
Consortium GENIVAR / CIMA+ / DESSAU-SOPRIN	33%
Consortium SNC-LAVALIN / GENIVAR	50%
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%
Consortium BPR-GENIVAR	50%

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

2010

Name	Interest
SM Gespro inc.	50%
Consortium BPR-GENIVAR	50%
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%
Consortium GENIVAR / CIMA+ / DESSAU	33%
Consortium GENIVAR / DESSAU / ROCHE	40%
Consortium GENIVAR / SÉGUIN	50%
GENIVAR / WASKA	50%
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%
Groupement SLG	43%
Consortium SNC-LAVALIN / GENIVAR	50%
Consortium CIMA+ / GENIVAR / DESSEAU-SOPRIN	33%

All significant jointly controlled operations operate in Canada and provide engineering services.

The following is a summary of the Company's proportionate share in the assets, liabilities, revenues, costs, and cash flows of the jointly controlled operations, included in the consolidated financial statements:

	2011 $	2010 $
Statements of earnings		
Revenues	62,119	60,378
Costs	40,924	36,869
Gross margin	21,195	23,509
Statements of cash flows		
Cash flows generated from operating activities	21,174	21,683

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Current assets			
Cash	7,452	8,070	5,936
Accounts receivable	19,823	16,107	15,318
Costs and anticipated profits in excess of billings	7,899	8,420	6,158
Total assets	35,174	32,597	27,412
Current liabilities			
Accounts payable and accrued liabilities	11,593	8,682	6,832
Billings in excess of costs and anticipated profits	3,415	3,152	3,777
Total liabilities	15,008	11,834	10,609

There are no contingent liabilities relating to the Company's interest in jointly controlled operations, and no contingent liabilities of the venture itself.

The Company also has a 50% interest in a jointly controlled entity, which is accounted for using the equity method (note 8).

6 Cash and cash equivalents

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Cash			
Cash at banks and on hand	144,031	26,961	41,887
Cash equivalents			
Short-term deposits	-	-	10,000
Cash and cash equivalents	144,031	26,961	51,887

As at December 31, 2011, the Company has set aside in a bank account an amount of $2,500 as a security for the payment and performance of its guarantor's obligations for a jointly controlled entity (note 8).

On December 21, 2011, the Company has notified its lenders of its intention to repay the bank advances at their maturity date, which is January 13, 2012. Out of the cash at banks, an amount of $50,000 was restricted for this purpose.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

7 Accounts receivable

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Trade receivables	187,272	182,994	142,977
Allowance for doubtful accounts	(5,319)	(7,341)	(6,393)
Net trade receivables*	181,953	175,653	136,584
Other receivables*	7,322	3,070	3,095
Advances to companies controlled by Old GENIVAR	-	166	145
Advances to Old GENIVAR	-	13,444	3,454
	189,275	192,333	143,278

* Net trade receivables and other receivables include holdbacks amounting to $3,879 ($4,384 as at December 31, 2010, and $3,847 as at January 1, 2010).

The aging of gross trade receivables at each reporting date was as follows:

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Past due 0-30 days	77,768	80,767	58,949
Past due 31-60 days	32,326	35,125	24,401
Past due 61-90 days	16,684	17,323	12,039
Past due 91-180 days	20,103	14,787	18,983
Past due over 180 days*	40,391	34,992	28,605
Balance – End of year	187,272	182,994	142,977

* The trade receivables past due for more than 180 days included accounts from one government agency that represents an amount of $16,310 as at December 31, 2011, of $16,736 as at December 31, 2010 and of $9,622 as at January 1, 2010 (note 28). This age group also includes accounts that were acquired as part of business acquisitions for which purchase adjustment clauses were signed.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Allowance for doubtful accounts
The changes in the allowance for doubtful accounts were as follows:

	2011 $	2010 $
Balance – Beginning of year	7,341	6,393
Adjustments of allowance	(2,091)	2,026
Write-offs	(38)	(870)
Exchange differences	107	(208)
Balance – End of year	5,319	7,341

The Company is exposed to credit risk with respect to its accounts receivable and maintains provisions for potential credit losses. Potential for such losses is mitigated because customer creditworthiness is evaluated before credit is extended and there is no significant exposure to a single customer, except for the information disclosed in note 28.

8 Investments

	December 31, 2011 $
Windmill Green Fund II LP ("Windmill")*	1,850
Available for sale investments**	329
	2,179

* Windmill is a jointly controlled entity in which the Company holds a 50% interest. The entity was created to build and manage an office building.

** The fair value of the quoted equity shares is determined by reference to the bid price in an active market.

Investments were acquired on January 1, 2011, as part of the acquisition of the non-controlling interest (note 4a)). Furthermore, in 2011, the Company made additional investments in Windmill and also invested in other securities.

The Company has granted security interest for the credit facilities made available to Windmill for the construction of the office building. Its liability is limited to a maximum amount of $4,026.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

9 Property, plant and equipment

	Land and buildings $	Leasehold improvements $	Furniture and equipment $	Computer equipment $	Total $
Balance as at January 1, 2010					
Cost	10,618	6,186	12,175	11,079	40,058
Accumulated depreciation	(936)	(1,900)	(3,866)	(2,801)	(9,503)
Net value	9,682	4,286	8,309	8,278	30,555
Additions	123	522	2,018	3,429	6,092
Additions through business acquisitions (note 4d))	786	992	1,599	1,056	4,433
Disposals	-	-	(156)	(56)	(212)
Depreciation for the year	(350)	(1,101)	(2,101)	(2,760)	(6,312)
Exchange differences	-	(4)	(22)	(8)	(34)
	559	409	1,338	1,661	3,967
Balance as at December 31, 2010	10,241	4,695	9,647	9,939	34,522
Balance as at December 31, 2010					
Cost	11,527	7,626	15,489	15,349	49,991
Accumulated depreciation	(1,286)	(2,931)	(5,842)	(5,410)	(15,469)
Net value	10,241	4,695	9,647	9,939	34,522
Additions	68	741	3,034	4,760	8,603
Additions through business acquisitions (note 4)	1,547	499	1,861	433	4,340
Disposals	(20)	-	(147)	(8)	(175)
Depreciation for the year	(385)	(1,202)	(2,739)	(3,645)	(7,971)
Exchange differences	-	-	2	-	2
	1,210	38	2,011	1,540	4,799
Balance as at December 31, 2011	11,451	4,733	11,658	11,479	39,321
Balance as at December 31, 2011					
Cost	13,122	8,799	19,711	20,512	62,144
Accumulated depreciation	(1,671)	(4,066)	(8,053)	(9,033)	(22,823)
Net value	11,451	4,733	11,658	11,479	39,321

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

10 Intangible assets

	Software $	Contract backlogs $	Customer relationship $	Non-competition agreements $	Trade name $	Total $
Balance as at January 1, 2010						
Cost	13,570	8,899	78,791	4,978	4,600	110,838
Accumulated amortization	(5,247)	(6,650)	(16,080)	(3,165)	-	(31,142)
Net value	8,323	2,249	62,711	1,813	4,600	79,696
Additions	5,807	-	-	765	-	6,572
Additions through business acquisitions (note 4d))	731	6,134	9,452	-	-	16,317
Disposals	(111)	-	-	-	-	(111)
Amortization for the year	(3,342)	(3,888)	(8,566)	(1,063)	-	(16,859)
Exchange differences	-	(4)	(50)	-	-	(54)
	3,085	2,242	836	(298)	-	5,865
Balance as at December 31, 2010	11,408	4,491	63,547	1,515	4,600	85,561
Balance as at December 31, 2010						
Cost	19,830	6,185	88,182	3,183	4,600	121,980
Accumulated amortization	(8,422)	(1,694)	(24,635)	(1,668)	-	(36,419)
Net value	11,408	4,491	63,547	1,515	4,600	85,561
Additions	3,367	-	-	258	-	3,625
Additions through business acquisitions (note 4b))	140	989	2,949	-	-	4,078
Amortization for the year	(3,566)	(3,112)	(9,818)	(815)	-	(17,311)
Exchange differences	1	-	17	-	-	18
	(58)	(2,123)	(6,852)	(557)	-	(9,590)
Balance as at December 31, 2011	11,350	2,368	56,695	958	4,600	75,971
Balance as at December 31, 2011						
Cost	23,135	4,646	91,160	2,664	4,600	126,205
Accumulated amortization	(11,785)	(2,278)	(34,465)	(1,706)	-	(50,234)
Net value	11,350	2,368	56,695	958	4,600	75,971

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the trade name, is $4,600 as at December 31, 2011, and 2010, and as at January 1, 2010.

During the year, the Company acquired intangible assets amounting to $7,703 ($22,889 in 2010), all of which are subject to amortization.

11 Goodwill

	2011 $	2010 $
Balance – Beginning of year	181,749	146,446
Goodwill resulting from business acquisitions (note 4b) and d))	17,936	35,371
Exchange differences	31	(68)
Balance – End of year	199,716	181,749

As at December 31, 2011, goodwill amounting to $39,386 ($39,386 as at December 31, 2010, and $30,727 as at January 1, 2010) is deductible for income tax purposes.

Impairment test of goodwill

The Company performed its annual impairment test for goodwill in December 2011 and 2010 in accordance with its policy described in note 2. The recoverable value of each CGU exceeded their carrying values. As a result, no goodwill impairment was recorded.

Valuation technique

Fair value less costs to sell

The recoverable value of each CGU was based on fair value less costs to sell**.** The following methodology and assumptions were applied to determine the fair value less costs to sell for all CGUs.

The fair value less costs to sell is calculated using the last twelve-month adjusted EBITDA realized by the CGU. For the purpose of the impairment test, the EBITDA is defined as earnings before financial expenses, taxes, depreciation and amortization. The adjusted EBITDA is based on the EBITDA realized by the CGU, adjusted to include the participation of the current year acquisitions as if these acquisitions had occurred on January 1 and adjusted for the non-recurring or representative items. The Company considered past experience, economic trends as well as industry and market trends in assessing if the level of EBITDA can be maintained in the future. Costs to sell are calculated based on 1% to 2% of the total fair value so determined, which is in line with the transaction costs incurred in past acquisitions.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

With regard to the assessment of the fair value less costs to sell, Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of a CGU to materially exceed its recoverable amount.

Goodwill amounting to $199,716 ($181,749 as at December 31, 2010, and $146,446 as at January 1, 2010) and trade name amounting to $4,600 are allocated to the Company's CGUs identified according to its operating segments. The carrying value of goodwill and trade name for CGU are identified in the table below:

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Cash generating unit			
Quebec	112,932	105,935	105,715
Ontario	50,351	48,685	35,514
Alberta	14,538	14,429	4,892
Atlantic	11,599	10,108	-
Others	14,896	7,192	4,925
Total of goodwill and trade name	204,316	186,349	151,046

12 Credit facilities

The Company has credit facilities with a syndication of financial institutions totalling $225,000 ($225,000 in 2010). The credit facilities are available for future business acquisitions, working capital, general corporate purposes and payments of dividends to shareholders.

Under the credit facilities, the Company may issue irrevocable letters of credit up to $20,000, decreasing such available credit facilities.

The credit facilities have a three-year term and mature in November 2013. The term can be extended each year for an additional one-year period subject to the approval of the lenders. The Company has the right to increase the maximum principal amount available by up to $50,000 at any time after the approval of the lenders.

The credit facilities are secured by a first ranking hypothec over the universality of the movable assets of the Company. The credit facilities bear interest at Canadian prime rate, US-based rate and LIBOR plus an applicable margin up to 1.75% that will vary depending on the type of advances and the Company's ratios, as defined in the agreement. The Company shall pay a commitment fee on the available credit facilities.

Under these credit facilities, the Company is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its funded debt to consolidated EBITDA, the fixed charge coverage and the consolidated funded debt to capitalization ratios. Management reviews compliance with these covenants on a quarterly basis in conjunction

with filing requirements under its credit facilities. All covenants have been met as at December 31, 2011 and 2010.

As at December 31, 2011, the Company has available credit facilities coming from acquisitions amounting to $3,075 ($1,335 in 2010). These credit lines were unused at year-end.

The Company issued, in the normal course of business, irrevocable letters of credit totalling $41 as at December 31, 2011 ($1,509 in 2010) for its own commitments, thus decreasing such available credit facilities.

13 Accounts payable and accrued liabilities

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Trade payables	40,248	34,259	25,511
Employee benefits payable	43,330	33,114	27,437
Accrued expenses	18,611	18,568	14,916
Provisions for claims	2,277	2,123	1,540
	104,466	88,064	69,404

The following table presents the movement in provisions for claims for the years ended December 31, 2011, and 2010.

	2011 $	2010 $
Balance – Beginning of year	2,123	1,540
Additional provision	1,524	1,794
Paid or otherwise settled*	(1,370)	(1,211)
Balance – End of year	2,277	2,123

* Out of this amount, the Company received a reimbursement of $860 ($643 in 2010) by its insurance company.

14 Loan payable

The loan bears interest at 2.60% (3.06% in 2010) and is payable in monthly instalments, capital and interest, of $41 ($42 in 2010). This loan is renewable in September of each year and is secured by a building. As at December 31, 2011, the carrying amount was $5,356 ($5,698 as at December 31, 2010, and $6,000 as at January 1, 2010).

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

15 Notes payable

	December 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Payable to the vendor in instalments, bearing interest at 5%	1,855	1,855	2,652
Payable to the vendors			
Without interest	5,867	4,624	651
Fixed rate varying from 3% to 5%	2,420	8,381	2,765
Prime rate*	1,238	-	1,000
	11,380	14,860	7,068
Less: Current portion	8,380	11,622	5,300
	3,000	3,238	1,768

* The prime rate was 3.00% as at December 31, 2011, and 2010, and 2.25% as at January 1, 2010.

The annual capital instalments on notes payable over the next two years amount to $8,380 in 2012 and $3,000 in 2013.

16 Balances payable to former shareholders

Balances payable to former shareholders are payable in annual instalments or in advance at the Company's option and bear interest at prime rate.

	December 31, 2011 $
Balances payable to former shareholders*	7,557
Less: Current portion	5,124
	2,433

* The Company assumed these liabilities as part of the acquisition of the non-controlling interest on January 1, 2011.

The annual instalments on balances payable to former shareholders over the next two years amount to $5,124 in 2012 and $2,433 in 2013.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

17 Financial liability related to LP Units

Prior to the reorganization, Old GENIVAR owned Exchangeable Class B and Class C Units ("Exchangeable LP Units") in the Fund's subsidiary, GENIVAR LP.

The financial liability related to LP Units represented the fair value of the non-controlling interest when the LP Units were exchangeable for units of the Fund, which was before May 27, 2010.

	Exchangeable LP Units	
	Number	**$**
Balance as at January 1, 2010	9,060,387	245,083
Unrealized gain arising from changes in fair value of the financial liability*	-	(9,513)
Classification of the LP Units as a non-controlling interest on May 27, 2010 (note 19)	(9,060,387)	(235,570)
Balance as at December 31, 2010, and December 31, 2011	-	-

* The unrealized changes in fair value from January 1, 2010, to May 27, 2010, represented a gain of $9,513 in the consolidated statement of earnings.

The Exchangeable LP Units were economically equivalent to Class A LP Units held by the Trust. The Exchangeable LP Units could be exchanged for Fund units, which were redeemable for cash consideration at the holder's request. Therefore, the Exchangeable LP Units were classified as a financial liability in the consolidated financial statements and presented at fair value.

On May 27, 2010, Old GENIVAR renounced its right to exchange its Exchangeable LP Units for units of the Fund. Accordingly, the financial liability was derecognized and was thereafter presented as a non-controlling interest in the Fund's consolidated financial statements, which is classified as a component of equity (note 19).

18 Share capital and Fund units

a) Share capital

Authorized

An unlimited number of common shares without par value, voting and participating.

An unlimited number of preferred shares without par value, participating, issuable in series.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Issued and paid

	Number of common shares	$
Balance as at January 1, 2010, and December 31, 2010	-	-
Fund units exchanged for common shares pursuant to the plan of arrangement (note 1)	18,103,589	275,767
Changes in tax status (note 23)	-	(721)
Common shares issued for the acquisition of the non-controlling interest (note 4a))	7,908,294	229,730
Adjustment to equity (note 4a))	-	(179,134)
Common shares issued in business acquisitions (note 4b))	92,912	2,007
Common shares issued*	33,121	860
Common shares issued related to an equity private placement**	6,500,000	155,813
Balance as at December 31, 2011	32,637,916	484,322

* During the year ended December 31, 2011, the Company issued a total of 33,121 shares for proceeds of $880 less issuance-related costs.

** On December 21, 2011, the Company completed an equity private placement with two Canadian institutional investors. The Company issued 6,500,000 common shares at a price of $24.57 per share for aggregate gross proceeds of $159,705. Issuance-related costs of $5,302 and deferred income tax assets of $1,410 are both accounted against the gross proceeds.

As at December 31, 2011, no preferred shares were issued.

b) Fund units

Until January 1, 2011, an unlimited number of units and an unlimited number of Special Voting Units may have been issued pursuant to the Fund's Declaration of Trust.

Units

Each unit was transferable and represented an equal, undivided right to an interest in any distributions from the Fund, whether of net earnings, net realized capital gains (other than net realized capital gains distributed to redeeming unitholders) or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All units were of the same class with equal rights and privileges. Units were redeemable at the holder's request at any time for an amount related to the quoted market price, cash redemptions being limited to $50 per month.

No redemption occurred on January 1, 2011, and in the year 2010.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Issued and paid

	Number of units	$
Balance as at January 1, 2010 and December 31, 2010	18,103,589	275,767
Fund units exchanged for common shares*	(18,103,589)	(275,767)
Balance as at December 31, 2011	-	-

* On January 1, 2011, the Company exchanged 18,103,589 Fund units with a net book value of $275,767 for 18,103,589 common shares of the Company as a result of the plan of arrangement (note 1).

Special Voting Units

Until January 1, 2011, the Special Voting Units were not entitled to any right nor interest in any distribution from the Fund whether of net earnings, net realized capital gains or other amounts, or in the net assets of the Fund in the event of a termination or winding-up of the Fund.

The Special Voting Units were issued in series and were only issued in connection with or in relation to the Exchangeable LP Units or other securities that were, directly or indirectly, exchangeable for units, in each case for the sole purpose of providing voting rights at the Fund level to the holders of such securities. Special Voting Units were issued in conjunction with, and were not transferable separately from, the Exchangeable LP Units (or other exchangeable securities) to which they relate. Conversely, the Special Voting Units were automatically transferred upon a transfer of the associated Exchangeable LP Units. Each Special Voting Unit entitled the holder thereof to a number of votes at any meeting of Voting Unitholders equal to the number of units which were obtained upon the exchange of the Exchangeable LP Units (or other exchangeable securities) to which the Special Voting Unit were related.

Upon the exchange of the Exchangeable LP Units (or other exchangeable securities) for units, the Special Voting Units attached to such securities were immediately cancelled without any further action of the Fund Trustees or the former holder of such Special Voting Units, and the former holder of such Special Voting Units ceased to have rights with respect thereto.

Until January 1, 2011, one Special Voting Unit was outstanding for each Exchangeable Unit issued by GENIVAR LP. As at December 31, 2011, no Special Voting Units were outstanding (9,060,387 as at December 31, 2010, and January 1, 2010).

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

19 Non-controlling interest

	Exchangeable LP Units		Common shares		Total	
	Number	**$**	**Number**	**$**	**Number**	**$**
Balance as at January 1, 2010	-	-	-	-	-	-
Recognition of a non-controlling interest*	9,060,387	89,397	-	-	9,060,387	89,397
Share in earnings attributable to the non-controlling interest for the year	-	11,731	-	-	-	11,731
Distributions	-	(12,911)	-	-	-	(12,911)
Balance as at December 31, 2010	9,060,387	88,217	-	-	9,060,387	88,217
Acquisition of the non-controlling interest by the Company (notes 1 and 4a))	(9,060,387)	(88,217)	-	-	(9,060,387)	(88,217)
Investment by a non-controlling interest in GENIVAR France	-	-	1,500	85	1,500	85
Share of comprehensive income attributable to the non-controlling interest for the year	-	-	-	10	-	10
Balance as at December 31, 2011	-	-	1,500	95	1,500	95

* The characteristics of the Exchangeable LP Units are described in note 17. On May 27, 2010, the financial liability was derecognized and was thereafter presented as a non-controlling interest following the renouncement to its right, by Old GENIVAR, to exchange Exchangeable LP Units. The non-controlling interest was valued at its share (33.35%) of the net book value of GENIVAR LP on a consolidated basis which amounted to $89,397 as at May 27, 2010.

On January 1, 2011, the Company completed a plan of arrangement providing for the reorganization of the Fund's income trust structure into a corporation. Following the reorganization, the Company acquired the non-controlling interest of the Fund. The shares of Old GENIVAR were exchanged for common shares of the Company. The Company became the owner of Old GENIVAR and of its LP Units after the completion of the plan of arrangement resulting in the elimination of the non-controlling interest in the statement of financial position.

In 2011, the Company invested a 70% interest in GENIVAR France. The remaining 30% is presented as a non-controlling interest.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

20 Capital management

The Company's objectives when managing capital structure are:

- to maintain financial flexibility in order to meet financial obligations and to continue the growth through business acquisitions;
- to control the Company's activities in order to provide dividend to the shareholders; and
- to maintain an adequate return for shareholders.

The Company has defined its capital as the combination of loan payable, bank advances, non-controlling interest and shareholders'/unitholders' equity, net of cash and cash equivalents. The non-recourse debts are excluded.

	2011 $	2010 $
Loan payable	5,356	5,698
Bank advances	50,000	54,334
Shareholders'/Unitholders' equity	501,277	284,136
Non-controlling interest	95	88,217
	556,728	432,385
Less: Cash and cash equivalents	(144,031)	(26,961)
	412,697	405,424

The Company's financing strategy is defined to maintain a flexible structure consistent with the objectives stated above, to respond adequately to changes in economic conditions and to allow growth through business acquisitions.

In order to adjust its capital structure, the Company may issue new shares in the market, contract bank advances and negotiate new credit facilities. In December 2011, the Company issued new common shares in an equity private placement. The gross proceed will be used to reimburse its bank advances at their maturity in January 2012 and to maintain its growth strategy by business acquisitions. In November 2010, the Company negotiated and closed new credit facilities increasing its financial capacity.

The Company monitors its capital structure using the consolidated funded debt to consolidated EBITDA ratio. This ratio is used to determine what would be the maximum debt level. The consolidated funded debt is a non-IFRS measure which includes loan payable, notes payable and balances payable to former shareholders, including their current portions, bank advances less cash and short-term deposit. The consolidated EBITDA is a non-IFRS measure defined as earnings before financial expenses, taxes, depreciation and amortization.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

The Company revised its objectives and strategy following the conversion into a corporation.

As a fund prior to January 1, 2011, the Company, whose objectives were to distribute its taxable income to the unitholders and to use any excess of income to manage growth, was monitoring capital using the adjusted payout ratio, which is a non-IFRS measure. Adjusted payout ratio was defined as aggregate cash distributions divided by adjusted distributable cash. The adjusted distributable cash was defined as standardized distributable cash adjusted for entity-specific adjustment items that Management believes were appropriate for the determination of levels of distributions. The standardized distributable cash was defined as cash flows from operating activities, including the effects of changes in non-cash working capital items and any operating cash flows provided from or used in discontinued operations, less total capital expenditures and restrictions on distributions arising from compliance with financial covenants and limitations arising from the existence of a minority interest in a subsidiary. For the year ended December 31, 2010, the adjusted distributable cash and the adjusted payout ratio amounted respectively to $72,342 and 77.0%.

The Company is not subject to any external requirements arising from regulatory or similar authorities.

21 Expenses by nature

	2011 $	2010 $
Employee benefits	371,852	321,004
Subcontracting and direct costs	122,883	110,932
Rent	20,757	17,501
Insurance	5,765	4,716
Others	42,017	41,441
Total of costs and marketing, general and administrative expenses	563,274	495,594

The employee benefits include the Company's participation in a defined contribution retirement savings plans. Pursuant to these plans, the Company pays a contribution equivalent to the employee contribution up to a maximum varying from 3% to 5% of the employee's salary. An employee acquires the whole employer contributions after two years of continuous service or if he loses his job due to a layoff resulting from a lack of work. The Company's portion of the contributions, net of repayments received following the departure of employees having non-vested contributions, amounts to $6,567 and $5,438 respectively for the years ended December 31, 2011 and 2010.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

22 Net interest expense

	2011 $	2010 $
Interest on bank advances	1,780	451
Interest on notes payable and on balances payable to former shareholders	826	335
Other interest and bank charges	1,800	697
Interest income	(95)	(146)
	4,311	1,337

23 Income taxes

The components of income tax expenses (recovery) for 2011 and 2010 were as follows:

	2011 $	2010 $
Current tax		
Current tax on earnings for the year	20,523	1,649
Deferred tax		
Origination and reversal of temporary differences	(3,398)	10,079
Impact of change in tax status	(7,180)	-
Total deferred tax	(10,578)	10,079
Total income tax expenses	9,945	11,728

Following the change in the tax status of the Company on January 1, 2011, the deferred income tax assets and liabilities have been recalculated. The adjustments are included in the statement of earnings for the year, except for the adjustments related to transactions that were previously accounted for in equity. As a result, equity decreased by $721 and a deferred income tax recovery of $7,180 was recognized in the consolidated statement of earnings. An adjustment related to the acquisition of the non-controlling interest (note 4a)) of $4,324 was also recognized in the equity.

Deferred income tax assets related to the issuance-related costs of the equity private placement amounting to $1,410 were recognized in equity.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

The reconciliation of the difference between the income tax expenses using the domestic statutory tax rate and the effective tax rate is as follows:

	2011 $	2010 $
Earnings before income tax expenses	60,001	62,678
Earnings not subject to income taxes	-	(60,826)
	60,001	1,852
Combined Canadian federal and provincial statutory tax rate	28.07%	29.99%
Income taxes based on statutory income tax rates	16,842	555
Implementation of the SIFT Rules	-	10,174
Non-deductible expenses	1,029	535
Foreign tax rate differences	129	474
Effect of change in tax rates	(612)	(2)
Change in tax status	(7,180)	-
Other	(263)	(8)
	9,945	11,728

The weighted average applicable tax rate was 28.07% compared to 29.99% in 2010. The decrease is the result of a change in the federal and provincial tax rates and in the Company allocation of taxable income between provinces.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

As at December 31, 2011, and 2010, the significant components of deferred income tax assets and liabilities were as follows:

					2011
	As at January 1 $	**Charged (credited) to statement of earnings $**	**Charged directly to equity $**	**Business acquisitions $**	**As at December 31 $**
Deferred income tax assets					
Deductible provisions upon settlement	557	(216)	164	-	505
Non-capital losses	-	561	-	-	561
Deferred issuance-related costs	1,758	(1,118)	1,266	-	1,906
	2,315	(773)	1,430	-	2,972
Deferred income tax liabilities					
Costs and anticipated profits in excess of billings	(10,147)	5,857	(2,945)	(100)	(7,335)
Holdbacks	(1,069)	714	(315)	-	(670)
Property, plant and equipment, intangible assets and goodwill	(7,651)	4,780	(1,805)	(1,461)	(6,137)
	(18,867)	11,351	(5,065)	(1,561)	(14,142)
Total	(16,552)	10,578	(3,635)	(1,561)	(11,170)

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

					2010
	As at January 1 $	**Charged (credited) to statement of earnings $**	**Charged (credited) to other comprehen-sive income $**	**Business acquisitions $**	**As at December 31 $**
Deferred income tax assets					
Deductible provisions upon settlement	23	534	-	-	557
Deferred issuance-related costs	1 687	71	-	-	1 758
	1 710	605	-	-	2 315
Deferred income tax liabilities					
Costs and anticipated profits in excess of billings	(112)	(9 859)	-	(176)	(10 147)
Holdbacks	(102)	(967)	-	-	(1 069)
Property, plant and equipment, intangible assets and goodwill	(4 854)	142	(8)	(2 931)	(7 651)
	(5 068)	(10 684)	(8)	(3 107)	(18 867)
Total	(3 358)	(10 079)	(8)	(3 107)	(16 552)

	2011 $	**2010 $**
Deferred income tax assets		
To be recovered after more than 12 months	1,714	990
To be recovered within 12 months	1,258	1,325
	2,972	2,315
Deferred income tax liabilities		
To be paid after more than 12 months	(4,452)	(5,511)
To be paid within 12 months	(9,690)	(13,356)
	(14,142)	(18,867)
Deferred income tax liabilities (net)	(11,170)	(16,552)

Deferred income tax liabilities of $440 ($433 in 2010) have not been recognized for taxes relating to investments in a foreign subsidiary as the Company does not expect this temporary difference to reverse in the foreseeable future. This temporary difference amounted to $4,400 as at December 31, 2011, and $4,334 as at December 31, 2010.

24 Earnings per share or unit

The following table reconciles the basic net earnings to the diluted weighted average net earnings:

	2011 $	2010 $
Basic net earnings	50,056	50,950
Unrealized gain from changes in fair value of financial liability	-	(9,513)
Distributions on the financial liability	-	5,663
Others	-	2,111
Diluted weighted average net earnings	50,056	49,211

The following table reconciles the basic weighted average number of shares/units outstanding to the diluted weighted average number of shares/units outstanding:

	2011	2010
Weighted average number of:		
Units outstanding – basic	-	18,103,589
Shares outstanding – basic	26,233,234	-
Weighted average of Exchangeable GENIVAR LP Units*	-	3,648,978
Diluted weighted average number of shares/units outstanding	26,233,234	21,752,567

* Beginning May 27, 2010, the Exchangeable LP Units had no dilution effect on the calculation of the net earnings per unit since the non-controlling unitholder renounced to its right to exchange its LP Units for units of the Fund. The non-controlling interest amount was included in the diluted net earnings calculation on a pro rata basis during the first five months of the year 2010, at which time the LP Units were exchangeable. The exchangeable LP Units were also included in the diluted number of units outstanding calculation on a pro rata basis for the same period.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

25 Dividends and distributions

The Company aims to declare and pay cash dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Company for the year ended December 31, 2011, was $41,536 or $1.50 per share.

Before 2011, the Fund was committed to distributing to its unitholders all or virtually all of its taxable income and taxable capital gains. The Fund made distributions on a monthly basis to its unitholders. For the year 2010, the distributions declared to the unitholders amounted to $50,023 and on the financial liability to $5,663 for a total of $55,686 or $2.05 per unit.

26 Statements of cash flows

Change in non-cash working capital items

	2011 $	2010 $
Decrease (increase) in:		
Accounts receivable	4,761	(9,909)
Costs and anticipated profits in excess of billings	(2,783)	(8,046)
Prepaid expenses	3,241	(3,222)
Increase (decrease) in:		
Accounts payable and accrued liabilities	4,139	7,051
Billings in excess of costs and anticipated profits	(4,565)	(3,868)
	4,793	(17,994)

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

27 Related party transactions

a) Business acquisitions

In 2010, the Fund entered into transactions with Old GENIVAR, the non-controlling unitholder, in connection with certain business acquisitions. Until March 2010, Old GENIVAR acquired all the outstanding shares of an acquired company and sold the net assets of the acquired company to GENIVAR LP or one of its subsidiaries. The consideration transferred for GENIVAR LP or one of its subsidiaries was identical to the shares' consideration transferred by Old GENIVAR, taking into account certain assets or liabilities that were not or could not be transferred, which price has been concluded with unrelated parties. During the year 2010, the Fund acquired Cook and Thompson for a total consideration of $21,766 (note 4d)) using this strategy.

As at December 31, 2010, accounts receivable included advances to the non-controlling unitholder of $13,444 ($3,454 as at January 1, 2010), bearing interest at prime rate, and distributions payable to unitholders included an amount of $6,115 payable to the non-controlling unitholder.

b) Other transactions

As part of the Plan of Arrangement, key management and employees that were shareholders of Old GENIVAR received common shares of GENIVAR in exchange of their shares. As at December 31, 2011, the promissory notes of $3,000, assumed in this transaction, were payable to current shareholders of the Company.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

c) Controlled entities

	Country of incorporation	Interest 2011		Interest 2010
Subsidiaries				
7247923 Canada Inc.	Canada	100%	*	-
AdeB Consultants Ltd. (AdeB)	Trinidad & Tobago	100%	***	66.65%
Arcop Design Inc.	Canada	100%		-
Design Collaborative & Associates Ltd. (DCAL)	Trinidad & Tobago	100%	***	66.65%
Entreprise Normand Juneau Inc.	Canada	100%		-
GENIVAR Construction Nord Inc.	Canada	100%		-
GENIVAR Consultants Limited Partnership	Canada	-	**	66.65%
GENIVAR France	France	70%		-
GENIVAR GP Inc.	Canada	-	**	100%
GENIVAR Limited Partnership	Canada	-	**	66.65%
GENIVAR Ontario Inc.	Canada	-	**	66.65%
GENIVAR Operating Trust	Canada	-	**	100%
GENIVAR Trinidad & Tobago (GENIVAR TT)	Trinidad & Tobago	100%	***	66.65%
GENIVAR Wind USA Inc.	USA	100%	***	66.65%
Giroux équipement d'arpentage Inc.	Canada	100%		-
Groupe Giroux Inc.	Canada	49%	****	-
Groupe Giroux arpenteurs-géomètres Inc.	Canada	49%	****	-
Magnate Communication Corp.	Canada	100%	***	66.65%
Special purpose entities				
AE Consultants Ltd.	Canada	-		-
Le Groupe Arcop S.E.N.C.	Canada	-		-
PBK Architects Inc.	Canada	-		-
WHW Architects Incorporated	Canada	-		-

* On January 1, 2011, this entity was acquired through the acquisition of the non-controlling interest (note 4a)).

** On January 1, 2011, these entities were liquidated or amalgamated during the reorganization of the Fund's income trust structure (note 1).

*** The change in interests results from the acquisition of the non-controlling interest (note 4a)) and the reorganization that occurred on January 1, 2011 (note 1).

**** These subsidiaries are consolidated since an agreement provides the Company with the power to govern the financial policies of those entities, so as to obtain benefits from their activities.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

d) Key management compensation

Key management includes the members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the members of the National Committee. The compensation paid or payable to key management is shown below:

	2011 $	2010 $
Short-term employee benefits	5,297	5,468
Post-employment benefits	97	93
	5,394	5,561

28 Financial instruments

Fair value

Cash and cash equivalents, accounts receivable, costs and anticipated profits in excess of billings, accounts payable and accrued liabilities, dividends/distributions payable, promissory notes, loan payable, notes payable, balances payable to former shareholders, and bank advances are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Company's financial instruments are valued is as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 includes inputs for the assets or liability that are not based on observable market data.

As at December 31, 2011, the fair value of the investments available for sale is valued under level 1. These are the only assets measured at fair value.

Financial risk management

The Company is exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk. The following analyses provide a measurement of those risks as at December 31, 2011 and 2010.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss.

Financial instruments which potentially subject the Company to significant credit risk consist principally of cash and cash equivalents, accounts receivable, and costs and anticipated profits in excess of billings. The Company's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments, which is $401,679 as at December 31, 2011, $280,595 as at December 31, 2010, and $246,457 as at January 1, 2010.

The Company's cash and cash equivalents are held with or issued by high-credit quality financial institutions. Therefore, the Company considers the risk of non-performance on these instruments to be remote.

The Company's credit risk is principally attributable to its trade receivables. The amounts presented in the balance sheet are net of an allowance for doubtful accounts, estimated by the Company's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Company does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when the likelihood of collecting the account has significantly diminished. The Company believes that the credit risk of accounts receivable is limited. During the year ended December 31, 2011, and 2010, bad debts accounted for were not significant.

The Company mitigates its credit risk by providing services to diverse clients in various industries and sectors of the economy.

Specific credit risk

As at December 31, 2011, the Company has accounts receivable from a government agency of Trinidad and Tobago which have remained unpaid for over 24 months. The payments were delayed by a change of government in the country and the removal of the agency's board of directors. On May 24, 2010, a new government was elected and on January 26, 2011, a new board of directors was nominated. Furthermore, a new CEO and a new CFO were hired mid-year and are working, under the supervision of the board, to resolve the payments due to GENIVAR and to other service providers in the country. Discussions with the agency are ongoing. Some payments were received throughout the year 2011, as the agency progressed in its work and received funding from the government. To date, the agency has not refuted any amounts claimed by the Company.

Some of these receivables were acquired as part of a business combination for which a purchase adjustment agreement exists with the seller. Accordingly, the exposure to financial loss non-recoverable is partially offset by a note payable to the seller in the event that some of the receivables are not collected.

The gross contractual amount associated with those receivables is $16,310 as at December 31, 2011 ($16,736 in 2010). The carrying value amount to $13,331, net of an allowance of $2,979 ($11,255, net of an allowance of $5,481 in 2010). Therefore, Management believes that the maximum exposure to financial loss in relation to this client is $9,972 ($7,799 in 2010), taking into account the receivables of $3,359 that are covered by a purchase adjustment agreement. Management intends to take every necessary action to collect these accounts in the next year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risks due to its operating activities as transactions with customers outside Canada are predominantly denominated in US dollars, TT dollars and Euros and to its net asset in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies. As at December 31, 2011 and 2010, the balances denominated in foreign currencies are as follows:

	Foreign currencies converted into CAN$	
	2011 $	**2010 $**
Current assets	35,264	42,806
Current liabilities	13,057	16,181

Investments made in self-sustaining foreign operations are not hedged against foreign currency fluctuations. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income (loss) account in shareholders' equity, as part of the currency translation adjustment.

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Company's net earnings. Management believes that a 10% change (10% in 2010) in exchange rates would be reasonably possible and that the impact on net earnings would be approximately $1,891 ($2,641 in 2010).

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its bank advances and the balances payable to former shareholders with floating interest rates. This risk is partially offset by cash held at variable rates.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

A fluctuation in interest rates would have an impact on the Company's net earnings. Management believes that a 0.5% change in interest rate would be possible and that the impact on net earnings, with all other variables held constant, would be approximately $296 ($70 in 2010).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations as they fall due.

A centralized treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities. Borrowing limits, cash restrictions and compliance with debt covenants are also taken into account.

The Company watches for liquidity risks arising from financial instruments on an ongoing basis. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. GENIVAR has access to committed lines of credit with banks.

The tables below present the contractual maturities of financial liabilities as at December 31, 2011 and 2010. The amounts disclosed are contractual undiscounted cash flows.

					2011
	Carrying amount $	**Contractual cash flows $**	**Less than a year $**	**Between 1 and 2 years $**	**More than 2 years $**
Accounts payable and accrued liabilities	104,466	104,466	104,466	-	-
Dividends payable to shareholders	12,239	12,239	12,239	-	-
Promissory notes	3,000	3,038	3,038	-	-
Loan payable	5,356	5,458	5,458	-	-
Notes payable, including current portion	11,380	12,393	8,757	3,636	-
Balances payable to former shareholders, including current portion	7,557	7,858	5,351	2,507	-
Bank advances*	50,000	50,000	50,000	-	-
	193,998	195,452	189,309	6,143	-

* On December 31, 2011, the Company has notified its lenders of its intention to repay the bank advances in January 2012.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

					2010
	Carrying amount $	**Contractual cash flows $**	**Less than a year $**	**Between 1 and 2 years $**	**More than 2 years $**
Accounts payable and accrued liabilities	88,064	88,064	88,064	-	-
Distributions payable to unitholders	18,334	18,334	18,334	-	-
Loan payable	5,698	5,867	5,867	-	-
Notes payable, including current portion	14,860	15,349	11,868	3,481	-
Bank advances	54,334	58,952	-	-	58,952
	181,290	186,566	124,133	3,481	58,952

As at December 31, 2011, the Company had unused credit facilities of $174,959 ($169,157 in 2010), net of outstanding letters of credit of $41 ($1,509 in 2010), and cash and cash equivalents of $144,031 ($26,961 in 2010).

29 Commitments and contingencies

Leases

The Company leases various office premises and equipment under non-cancellable operating lease agreements. The lease terms vary from five to ten years, and the majority of lease agreements are renewable at the end of the lease period for an additional period varying from five to ten years at market rate. The Company does not have an option to purchase the equipment at the expiry of the lease periods.

The lease expenditure included in the statement of earnings amounts to $20,757 for the year ended December 31, 2011 ($17,501 for the year ended December 31, 2010).

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2011 $	2010 $
No later than 1 year	21,145	20,940
Later than 1 year and no later than 5 years	53,014	56,559
Later than 5 years	22,438	25,779
	96,597	103,278

Contingencies

The Company is currently facing legal proceedings for work carried out in the normal course of its business. Management is still gathering information to assess the situation properly; however, the outcome cannot be predicted with certainty. The Company takes out a professional liability insurance policy in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisors and on its experience in the settlement of similar proceedings, Management believes that the Company has accounted for sufficient provisions in that regard and that the final settlement should not exceed the insurance coverage significantly or should not have a material effect on the financial position or operating results of the Company.

30 Segment information

(a) Major customers

As at December 31, 2011 and 2010, no customers represented more than 10% of the Company's consolidated revenues.

(b) Segmented information

The Company considers the basis on which it is organized, including geographic areas and service offering, in identifying its reportable segments. The Company is organized and analyzes financial information by geographic areas for all types of services except for the architecture services, which are analyzed separately. Accordingly, the Company defines its segments as the following: Atlantic Canada, Quebec, Ontario, Alberta, Western Canada, International and Architecture.

The operating segments provide the same nature of services and serve similar clients in similar industries. Each of them provides its clients with the same complete range of specialized services, viewed as convergent disciplines by the Company's Management. The segments present similar long-term financial performance and the same long-term economic conditions

and characteristics. The Company's Management aggregates its operating segments into one reporting segment.

(c) Geographic information

The following revenues have been allocated to geographic regions based on the country in which the majority of the projects have been realized.

	2011 $	2010 $
Canada	623,755	560,155
Trinidad and Tobago	7,745	10,548
Other	20,385	9,728
	651,885	580,431

Property, plant and equipment, intangible assets and goodwill are mainly associated with activities in Canada.

31 Transition to IFRS

The Company's financial statements for the year ended December 31, 2011, are the first annual financial statements that comply with IFRS, and are prepared as described in note 2, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement in these financial statements of compliance with IFRS.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "transition date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first-time IFRS adopters.

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions applied by the Company in the conversion from Canadian GAAP to IFRS.

IFRS Exemption Options

1. Business combinations – IFRS 1 provides the option to apply IFRS 3, "Business Combinations," retrospectively or prospectively from the transition date. The retrospective basis would require restatement of all business combinations that occurred prior to the transition date. The Company

elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its transition Date and such business combinations have not been restated.

2. Fair value or revaluation as deemed cost – IFRS 1 allows an entity transitioning to IFRS to initially measure an item of property, plant and equipment at fair value as deemed cost at the date of the transition. The Company has elected to use the fair value as deemed cost for some of its equipment.

3. Currency translation differences – Retrospective application of IFRS would require the Company to determine cumulative currency translation differences in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates," from the date a subsidiary or associate was formed or acquired. IFRS 1 allows cumulative translation gains and losses to be reset to zero at transition date with reclassification of the previous amount made to retained earnings. The Company elected to apply this exemption after determining the functional currency of GENIVAR Trinidad and Tobago and its subsidiaries to be Trinidad and Tobago dollars, which differ from the presentation currency.

IFRS Mandatory Exceptions

Set forth below are the applicable mandatory exceptions in IFRS 1 applied by the Company in the conversion from Canadian GAAP to IFRS.

1. Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

2. Assets and liabilities of subsidiaries and associates – In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary or associate adopting IFRS, the assets and the liabilities of the subsidiary or associate are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary or associate. Three of the Company's subsidiaries adopted IFRS in 2005.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows from prior periods. The Company's first time adoption of IFRS did not have a material impact on the total operating, investing or financing cash flows. The significant impacts on the presentation of the statement of cash flows are disclosed in a summarized table and in the related changes in accounting policies. The following represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income and financial positions:

Reconciliation of equity

	Notes	December 31, 2010 $	January 1, 2010 $
Equity as reported under Canadian GAAP		271,121	277,394
IFRS adjustments increase (decrease):			
Business combinations	1	(1,116)	(113)
Deferred income taxes	2	(8,263)	(3,034)
Non-controlling interest			
Classification as a financial liability	3	(113,979)	(137,131)
Extinction of the conversion right on May 27, 2010	3	235,570	-
Reversal of step-by-step acquisitions	3	3,446	916
Distribution declared on LP Units (note 19)	3	(12,911)	-
Currency translation adjustments	4	(684)	(527)
Property, plant and equipment	5	(831)	(1,356)
Equity as reported under IFRS		372,353	136,149

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Reconciliation of earnings and comprehensive income

	Notes	Year ended December 31, 2010 $
Comprehensive income		
As reported under Canadian GAAP		30,839
Increase (decrease) in net earnings for:		
Business combinations		
Contingent considerations	1	(352)
Acquisition-related costs	1	(1,090)
Assessment of the fair values	1	439
Deferred income taxes	2	(5,229)
Non-controlling interest		
Elimination of the non-controlling interest	3	19,302
Unrealized gain arising from changes in fair value of financial liability related to LP Units	3	9,513
Distribution on financial liability related to LP Units	3	(5,663)
Reversal of step-by-step acquisitions	3	2,530
Currency translation adjustment	4	136
Property, plant and equipment	5	525
		20,111
Decrease in other comprehensive loss for:		
Currency translation adjustment	4	(293)
As reported under IFRS		50,657
Comprehensive income attributable to:		
Shareholders/unitholders		38,926
Non-controlling interest		11,731
		50,657

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Reconciliation of statements of financial position

	Notes	Cdn GAAP $	Adj $	IFRS $
				January 1, 2010
Assets				
Current assets				
Cash and cash equivalents		51,887	-	51,887
Accounts receivable	4	143,256	22	143,278
Costs and anticipated profits in excess of billings		51,292	-	51,292
Prepaid expenses		4,710	-	4,710
		251,145	22	251,167
Non-current assets				
Property, plant and equipment	1-3-4-5	33,029	(2,474)	30,555
Intangible assets	1-3-4	100,167	(20,471)	79,696
Goodwill	1-3-4	148,756	(2,310)	146,446
Total assets		533,097	(25,233)	507,864
Liabilities and equity				
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	4	69,388	16	69,404
Income taxes payable		347	-	347
Billings in excess of costs and anticipated profits		24,836	-	24,836
Deferred income tax liabilities	2	389	(389)	-
Distributions payable on financial liability	3	-	5,210	5,210
Distributions payable to unitholders	3	15,619	(5,210)	10,409
Loan payable	6	-	6,000	6,000
Current portion of notes payable		5,300	-	5,300
Current portion of long-term debt	6	330	(330)	-
		116,209	5,297	121,506
Non-current liabilities				
Notes payable		1,768	-	1,768
Long-term debt	6	5,670	(5,670)	-
Deferred income tax liabilities	2	3,695	(337)	3,358
Financial liability related to LP Units	3	-	245,083	245,083
Non-controlling interest	3	128,361	(128,361)	-
Total liabilities		255,703	116,012	371,715
Equity				
Equity attributable to unitholders				
Fund units	2	275,065	702	275,767
Retained earnings (deficit)	1-2-3-4-5	2,329	(141,947)	(139,618)
Total equity		277,394	(141,245)	136,149
Total liabilities and equity		533,097	(25,233)	507,864

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

		December 31, 2010		
	Notes	**Cdn GAAP $**	**Adj $**	**IFRS $**
Assets				
Current assets				
Cash and cash equivalents		26,961	-	26,961
Accounts receivable		192,333	-	192,333
Income taxes receivable		836	-	836
Costs and anticipated profits in excess of billings		61,301	-	61,301
Prepaid expenses	1	8,926	(362)	8,564
		290,357	(362)	289,995
Non-current assets				
Property, plant and equipment	1-3-4-5	36,210	(1,688)	34,522
Intangible assets	1-3-4	106,506	(20,945)	85,561
Goodwill	1-3-4	180,900	849	181,749
Total assets		613,973	(22,146)	591,827
Liabilities and equity				
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	1-4	87,660	404	88,064
Income taxes payable		536	-	536
Billings in excess of costs and anticipated profits		21,096	-	21,096
Deferred income tax liabilities	2	5,794	(5,794)	-
Distributions payable to unitholders		18,334	-	18,334
Loan payable	6	-	5,698	5,698
Current portion of notes payable		11,622	-	11,622
Current portion of long-term debt	6	336	(336)	-
		145,378	(28)	145,350
Non-current liabilities				
Notes payable	1	1,577	1,661	3,238
Long-term debt	6	5,362	(5,362)	-
Bank advances		54,334	-	54,334
Deferred income tax liabilities	2	7,112	9,440	16,552
Non-controlling interest	3	129,089	(129,089)	-
Total liabilities		342,852	(123,378)	219,474
Equity				
Equity attributable to unitholders				
Fund units	2	275,065	702	275,767
Accumulated other comprehensive loss	4	-	(293)	(293)
Retained earnings (deficit)	1-2-3-4-5	(3,944)	12,606	8,662
		271,121	13,015	284,136
Non-controlling interest	3	-	88,217	88,217
Total equity		271,121	101,232	372,353
Total liabilities and equity		613,973	(22,146)	591,827

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Summary of significant differences in the statement of cash flows

	Notes	December 31, 2010 Cdn GAAP $	 Adj $	 IFRS $
Cash flows generated from operations activities				
Net earnings for the year		30,839	20,111	50,950
Adjustments for:				
Depreciation and amortization	1-3-4-5	26,746	(3,575)	23,171
Deferred income taxes	2	4,850	(4 850)	-
Income tax expenses		-	11,728	11,728
Income taxes paid		-	(3,580)	(3,580)
Net interest expense	7	-	1,337	1,337
Non-controlling interest				
Elimination of the non-controlling interest	3	19,302	(19,302)	-
Unrealized gain arising from changes in fair value of financial liability related to LP units	3	-	(9,513)	(9,513)
Distribution on financial liability related to LP units	3	-	5,663	5,663
		81,737	(1,981)	79,756
Change in non-cash working capital items		(20,638)	2,644	(17,994)
Net cash and cash equivalent generated from operating activities		61,099	663	61,762

Changes in accounting policies

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS accounting policies applied by the Company. Only the differences having a significant impact on the Company are described below. The following is not a complete list of all of the differences between Canadian GAAP and IFRS. Unless a quantitative impact was noted below, the impact from the change was not material to the Company.

1. BUSINESS COMBINATIONS

As stated in the section entitled “IFRS Exemption Options,” the Company applied the exemption in IFRS 1 for business combinations. Consequently, business combinations concluded prior to January 1, 2010, have not been restated under IFRS 1, except for the retroactive application at the acquisition date of the finalization of the assessment of the fair values of the identifiable net assets acquired for the acquisitions realized in 2009 and finalized in 2010.

The following IFRS adjustments are relating to acquisitions occurring on or after January 1, 2010.

(in thousands of Canadian dollars, except the number of shares/units and per share/unit data and unless otherwise stated)

Acquisition-related costs

Under Canadian GAAP, transaction costs in business acquisitions are included as part of the consideration transferred of the acquisition. Under IFRS, these costs are expensed when incurred. This adjustment decreased the goodwill by $728, and the prepaid expenses by $362 as at December 31, 2010. It increased marketing, general and administrative expenses by $1,090 for the year ended December 31, 2010.

Contingent considerations

Under IFRS, contingent considerations are recognized as part of the consideration transferred. The considerations are valued at fair value on the acquisition date and each subsequent period with changes recorded in the statement of earnings. If contingent considerations are conditional to continuing employment, they are treated as benefits to employees and accounted for as an expense in accordance with the term of the obligation. Canadian GAAP generally requires that considerations be recorded in goodwill when the contingency is resolved.

IFRS 3 also gives specific criteria to assess if a contingent consideration is part of the exchange for the acquiree or a separate transaction. The Company has recorded contingent considerations that led to an increase by $1,661 in goodwill and notes payable as at December 31, 2010. Certain contingent considerations were accounted for as separate transactions from the business combinations and led to an increase in marketing, general and administrative expenses and in accounts payable of $352 for the year ended December 31, 2010.

Assessment of the fair values

Adjustments to the initial assessment of the fair values of the identifiable net assets acquired are recognized retrospectively from the acquisition date. As a result, adjustments to depreciation and amortization are retrospectively recorded to reflect the final estimates. Under Canadian GAAP, initial purchase price allocations are subsequently adjusted through goodwill prospectively, as changes in estimates.

Adjustments made as a result of the completion in 2010 of preliminary assessment of the fair values for the 2009 acquisitions result in a decrease in intangible assets by $2,114 as at January 1, 2010, and $113 as at December 31, 2010. Goodwill has increased by $2,083 as at January 1, 2010.

Finalizations of the assessment of the fair values of the 2010 acquisitions were applied retrospectively at the date of the acquisition. As a result, intangible assets decreased by $5,446 as at December 31, 2010. Goodwill increased by $3,727 for the same period. Property, plant and equipment increased by $270 and deferred income tax liabilities decreased by $799 as at December 31, 2010.

The amortization expense has also been recalculated to reflect these adjustments and was reduced by $439 for the year ended December 31, 2010.

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2. INCOME TAXES

Tax rate on deferred income tax assets and liabilities

In 2010, under an income trust structure, the Fund benefited from a special tax treatment whereby it could deduct the unitholders' distributions in order to avoid tax and calculate all temporary differences using the tax rate that applies to specified investment flow-through entities. Under IFRS, deferred income tax assets and liabilities should be measured using the tax rates of undistributed profits which are higher than the rate used under Canadian GAAP. On January 1, 2010, the difference in the tax rate used to calculate deferred income tax assets and liabilities generated an increase of $1,027 in deferred income tax liabilities, a decrease of $1,729 of retained earnings and an increase of $702 in the Fund units.

Tax basis

Under Canadian GAAP, the tax basis of an asset is the amount that is deductible from taxable income if the asset was to be recovered for its carrying amount. When the amount related to an asset that will be deductible in determining future taxable income depends on whether the asset is used or sold, the tax basis of the asset is the greater of those amounts. Under IFRS, the tax basis of an asset or liability depends on Management's expectations of the manner in which the asset or liability will be recovered or settled. Differences in the calculation of tax basis increased the deferred income tax liabilities by $1,634 and decreased the retained earnings by the same amount on January 1, 2010.

The impacts of other differences between the standards and of various IFRS adjustments, without taking into account the reclassification of the non-controlling interest, resulted in an increase of $45 of deferred income tax liabilities, as at January 1, 2010.

Cumulative impacts on 2010

As a result of the differences presented above, the deferred income tax liabilities and the deferred income tax expenses have increased by $5,229 for the year ended December 31, 2010. This last effect is mainly attributable to the difference in the tax rate used for the calculation of the deferred income tax liabilities on short-term items that occurred in the fourth quarter ended December 31, 2010.

Tax reclassification

Under IFRS, it is not appropriate to classify deferred income tax balances as current, irrespective of the classification of the assets or liabilities to which the deferred income tax relates or of the expected timing of reversal. Under Canadian GAAP, deferred income tax relating to current assets or liabilities must be classified as current. Accordingly, current deferred income taxes reported under Canadian GAAP of $389 as at January 1, 2010, and of $5,794 as at December 31, 2010, have been reclassified as non-current under IFRS.

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3. FINANCIAL INSTRUMENTS

Under IFRS, a financial instrument that gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless certain criteria are met to allow for its classification as equity.

On January 1, 2010, GENIVAR LP Units held by Old GENIVAR, which were classified as non-controlling interest under Canadian GAAP and which were exchangeable for units of the Fund, were classified as a financial liability. The modification was applied retroactively.

The non-controlling interest was presented as a financial liability and carried at a fair value of $245,083 as at January 1, 2010. This value was reviewed each subsequent reporting period and adjusted through the consolidated statements of earnings until the financial liability was derecognized on May 27, 2010. The revaluation led to the recognition of an unrealized gain of $9,513 for the year ended December 31, 2010, reflecting the changes in fair value.

Under IFRS, distributions to Old GENIVAR are classified as financial expenses from January 1, 2010, to May 27, 2010, therefore an increase in expenses of $5,663 was recognized in the consolidated statements of earnings for the year ended December 31, 2010. On January 1, 2010, the distributions payable to Old GENIVAR amounted to $5,210 and were reclassified as distributions payable on financial liability.

The presentation of cash flows generated from operating activities was impacted by the reclassification of the non-controlling interest since the unrealized gain of $9,513 and the financial expenses of $5,663 affected the net earnings. These items are now presented as adjustments in the calculation of the cash flows generated from operating activities before change in non-cash working capital items.

On May 27, 2010, the shareholders of Old GENIVAR adopted the plan of arrangement to convert to a publicly-traded corporation. Following this adoption, the GENIVAR LP Units held by Old GENIVAR were no longer exchangeable for units of the Fund. Hence, the financial liability was thus extinguished. From that date, the Fund has recognized the non-controlling interest as a separate item in the equity section. The non-controlling interest was recorded at its share (33.35%) of the net book value of GENIVAR LP. The difference between the net book value and the redemption amount was applied to retained earnings.

All transactions with Old GENIVAR were reviewed in accordance with the nature of the financial liability. Consequently, property, plant and equipment, intangible assets, goodwill and deferred income tax liabilities recorded as a result of the last three public offerings that were treated as step-by-step acquisitions were reversed. On January 1, 2010, the Fund's intangible assets and property, plant and equipment were reduced by $18,807, the goodwill by $4,118 and the deferred income tax liabilities by $3,432. Taking into account the amortization of intangible assets and property, plant and equipment, the decrease of these assets was $16,277 as at December 31, 2010. Amortization expenses decreased by $2,530 for the year ended December 31, 2010.

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Non-controlling interest reclassification

Under Canadian GAAP, non-controlling interests in the equity of a consolidated entity are classified as a separate component between liabilities and equity in the statement of financial position and as a component of net earnings within the statement of earnings.

Under IFRS, non-controlling interests are classified as a component of equity separate from the equity of the parent and are not included in net earnings, but rather presented as an allocation of net earnings. The non-controlling interest share of net earnings of $19,302 was eliminated in the statement of earnings for the year ended December 31, 2010, and rather presented as an allocation of net earnings for the period in which the non-controlling interest was accounted for in equity.

4. FOREIGN CURRENCY TRANSLATION ADJUSTMENT

As noted in the section entitled “IFRS Exemption Options,” the Company has applied the one-time exemption to set the foreign currency cumulative translation adjustment (“CTA”) to zero as of January 1, 2010. The cumulative translation adjustment balance as of January 1, 2010, of $527 was recognized as an adjustment to retained earnings. The application of the exemption had no impact on net equity.

IFRS takes a “functional currency” approach whereby each entity determines its functional currency defined as the currency of the primary economic environment in which the entity operates. Canadian GAAP considers foreign operations as integrated or self-sustained. A list of primary and secondary indicators is used under IFRS and these differ in content and emphasis to a certain degree from those factors used under Canadian GAAP. The hierarchy in which the criteria are to be assessed brought a change in the translation of the foreign operation of GENIVAR TT’s and its subsidiaries’ functional currency. The intangible assets and property, plant and equipment decreased by $252 as at January 1, 2010, and $281 as at December 31, 2010. For the same periods, goodwill has decreased by $275 and $343, respectively. Previous gain and loss on the conversion of the financial statement of GENIVAR TT that were accounted for in the statement of earnings were reversed. Exchange differences were recognized in other comprehensive income and amounted to $293 as at December 31, 2010.

5. PROPERTY, PLANT AND EQUIPMENT

As permitted under IFRS 1, the Company elected to revalue at fair value some computer equipment, which decreased their value by $1,750. On January 1, 2010, the fair value of these assets was $7,148. The depreciation expense decreased by $525 for the year ended December 31, 2010. Adjustments to the consolidated statement of financial position of $1,225 as at December 31, 2010, are net of accumulated depreciation.

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6. LONG-TERM DEBT RECLASSIFICATION

Under Canadian GAAP, an obligation scheduled to mature within one year from the balance sheet date of the statement of financial position should be excluded from current liabilities only if the debtor intends to refinance the obligation on a long-term basis and such intent is demonstrated by an ability to consummate the refinancing. This requirement has no equivalent under IFRS. As such, the long-term debt was reclassified as current under IFRS since the loan matured in September 2011.

7. OTHER ADJUSTMENT TO THE STATEMENT OF CASH FLOWS

Under Canadian GAAP, cash flows relating to interest payments were classified as operating. Under IFRS, cash flows relating to interest are classified as operating, investing or financing in a consistent manner in each period.

32 Subsequent events

On January 1, 2012, the Company acquired all the outstanding shares of Consultores Regionales Asociados - CRA S.A.S. ("CRA"), an engineering firm specialized in civil engineering, energy and telecommunications based in Bogotá, Columbia. This acquisition is part of the international growth strategy of the Company and represents an ideal platform in this region to build and grow the Company's activities in all market segments.

On February 26, 2012, the Company acquired all the outstanding shares of Les Investissements R.J. Inc., a Quebec-based engineering firm specialized in mechanical and electrical engineering. The new expertise enables the Company to meet the growing client demand in the Building sector.

On February 29, 2012, the Company acquired all the outstanding shares of GRB Engineering Ltd., a Calgary-based engineering firm specialized in engineering services and project management for the oil and gas industry. This acquisition fits very well in the Company's development strategy and strengthens the Company's leadership both in Alberta and in the oil and gas industry.

On March 14, 2012, the Company and a special purpose entity controlled by the Company acquired all the outstanding shares of Smith Carter Architects and Engineers Inc. and of Smith Carter (USA) LLC, collectively "Smith Carter," an international leader in the areas of integrated architectural design and engineering. This firm has headquarters in Winnipeg and offices in Calgary, Ottawa, Atlanta and Washington, D.C. With this transaction, the Company achieved two expansion objectives, which were to strengthen the Company's presence in Western Canada and enter the United States market. Shortly after the acquisition of Smith Carter, the Company will issue 142,966 common shares to former shareholders of the acquired businesses for a proceed of $3,947.

The aggregate consideration included a cash consideration of $33,655 and notes payable of $8,572, and approximately $1,815 in common shares.

At the moment of the approval of these consolidated financial statements, the initial accounting of these business combinations is incomplete; therefore, the Company could not provide reliable information pertaining to the allocation of the consideration transferred, major class of assets acquired and liabilities assumed.