AstonHill FINANCIAL

Consolidated Financial Statements for the year ended December 31, 2015

Contents

MANAGEMENT'S REPORT TO SHAREHOLDERS

Management of Aston Hill Financial Inc. ("Aston Hill") is responsible for the integrity and objectivity of the financial statements and all other information contained in this document. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are based on management's best information and judgment.

Aston Hill's accounting procedures and related systems of internal controls are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with appropriate authorization, and that accounting records may be relied upon to appropriately reflect Aston Hill's business transactions.

The Audit Committee of the Board of Directors is composed of outside directors who meet periodically and independently with management and the external auditors to discuss Aston Hill's financial reporting and internal control. The Audit Committee reviews the financial information prepared by management and the results of the audit by the external auditors prior to recommending the financial statements to the Board of Directors for approval. The external auditors have unrestricted access to the Audit Committee.

Management acknowledges its responsibility to conduct Aston Hill's affairs in the best interests of its shareholders.

"Signed"	*"Signed"*
James Werry Chief Executive Officer	Derek Slemko Chief Financial Officer

March 18, 2016

Independent Auditor's Report

To the Shareholders of
Aston Hill Financial Inc.

We have audited the accompanying consolidated financial statements of Aston Hill Financial Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and December 2014 and the consolidated statements of net and comprehensive income, changes in equity and cash flows for the years then ended, 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on 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.

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

PricewaterhouseCoopers LLP
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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aston Hill Financial Inc. and its subsidiaries as at December 31, 2015 and December 31, 2014 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Consolidated Statements of Financial position

(in thousands of Canadian dollars)

As at,	Notes	**December 31, 2015**		December 31, 2014	
Assets					
Current assets					
Cash and cash equivalents		**$**	**3,255**	$	12,209
Trade and other receivables	5, 23(a)		**2,792**		5,221
Current income tax receivable			**1,012**		-
Investments at fair value through profit or loss	4(f), 23(e)		**2,954**		2,035
Short term restricted trust units receivable	5, 23(b)		**-**		68
Prepaid expenses			**316**		544
Receivable from subsidiary classified as held for sale	6		**840**		-
Disposal group assets held for sale	6		**3,323**		-
		$	**14,492**	$	20,077
Property and equipment	12		**846**		996
Prepaid deposits and expenses			**133**		1,748
Intangible assets and goodwill	13		**54,909**		71,783
Deferred sales commissions	11		**1,730**		3,280
Total assets		**$**	**72,110**	$	97,884
Liabilities					
Current Liabilities					
Trade and other payables	5, 23(a)	**$**	**3,443**	$	4,154
Current income tax payable			**-**		671
Provisions	18, 25		**2,417**		3,210
Forward purchase contract liability	4		**1,187**		-
Disposal group liabilities held for sale	6		**1,197**		-
		$	**8,244**	$	8,035
Convertible debentures	5, 19		**26,103**		38,087
Forward purchase contract liability	4		**181**		4,012
Subordinated loan			**11**		11
Provisions	18, 25		**2,143**		-
Deferred tax liabilities	10		**9,233**		11,614
		$	**45,915**	$	61,759
Non-controlling interest					
Non-controlling interest	3(q)		**317**		233
Shareholders' equity					
Share capital	14	**$**	**50,832**	$	46,741
Treasury stock	14		**(1,056)**		(820)
Convertible debentures equity component	19		**2,341**		4,306
Contributed surplus			**12,594**		6,724
Retained (deficit)			**(38,833)**		(21,059)
		$	**25,878**	$	35,892
Total liabilities & shareholders' equity		**$**	**72,110**	$	97,884

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

Approved on behalf of the board of directors

"Signed"	*"Signed"*
Director - James Werry	Director - Catherine Best

Consolidated Statements of Net & Comprehensive Income

(in thousands of Canadian dollars, except per share information)

For the year ended,	Note		**December 31, 2015**		December 31, 2014
Revenue					
Management fees and other	23(a)	**$**	**35,676**	$	46,177
Administration charges	23(b)		**374**		1,152
Other income			**544**		91
		$	**36,594**	$	47,420
Expenses					
Salaries and wages	23(d)	**$**	**13,074**	$	14,953
General and administrative			**8,990**		8,012
Restructuring costs	25		**4,292**		-
Trailer fees			**5,260**		5,494
Sub-advisory expense			**4,030**		4,921
Share based compensation	20		**784**		1,105
Amortization of deferred sales commissions	11		**2,348**		1,247
Amortizaton of intangible assets - finite life	13		**1,001**		1,196
Product development			**776**		608
Depreciation of property and equipment	12		**294**		421
Commissions			**80**		134
Total operating expenses		**$**	**40,929**	$	38,091
Net (gains) losses on investments	7	**$**	**(3,078)**	$	628
Finance expense	8		**852**		4,273
Impairment loss	6, 13		**15,873**		-
Total expenses		**$**	**54,576**	$	42,992
Net (loss) income before tax for the year		**$**	**(17,982)**	$	4,428
Income tax expense					
Current taxes	10		**(576)**		1,495
Deferred taxes	10		**(3,212)**		383
Total income tax (recovery) expense		**$**	**(3,788)**	$	1,878
Net (loss) income for the year		**$**	**(14,194)**	$	2,550
Net income to non-controlling interest			**782**		1,070
Net (loss) income to controlling interest		**$**	**(14,976)**	$	1,480
Other comprehensive income:					
Net change in fair value of investments through other comprehensive income (net of tax)	4	**$**	**-**	$	884
Transfer to retained earnings on sale of investments through other comprehensive income (net of tax)		**$**	**-**		(884)
Other comprehensive income for the year, net of tax		**$**	**-**	$	-
Total comprehensive (loss) income for the year		**$**	**(14,976)**	$	1,480
Net income (loss) per share					
Basic	15	**$**	**(0.162)**	$	0.017
Diluted	15	**$**	**(0.162)**	$	0.016

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian dollars, except share information)

For the year ended,	Note		**December 31, 2015**		December 31, 2014
Number of common shares outstanding					
Outstanding at the beginning of year			**88,988**		89,954
Shares issued in private placement	14		**13,302**		-
Stock options exercised and restricted shares vested	20		**544**		422
Dividend reinvestment plan	16		**373**		125
Shares repurchased & cancelled			**(1,654)**		(1,315)
Shares repurchased & held in treasury			**(2,704)**		(198)
Outstanding at end of year			**98,849**		88,988
Share capital					
Balance at beginning of year		**$**	**46,741**	$	46,957
Shares issued			**5,009**		123
Share issue costs, net of deferred tax	14		**(59)**		(10)
Options exercised	20		**-**		376
Normal course issuer bid repurchases	14		**(859)**		(705)
Balance at end of year		**$**	**50,832**	$	46,741
Treasury stock					
Balance at beginning of year		**$**	**(820)**	$	(648)
Restricted shares vested			**715**		67
Shares repurchased and held in treasury			**(951)**		(239)
Balance at end of year		**$**	**(1,056)**	$	(820)
Convertible debentures equity component					
Balance at beginning of year		**$**	**4,306**	$	4,317
Partial redemption - 6.0% convertible debentures maturing July 2016	19		**(642)**		-
Extinguishment - 6.0% convertible debentures maturing July 2016	19		**(3,639)**		-
Recognition - 6.5% convertible debentures maturing January 2019	19		**2,364**		-
Normal course issuer bid repurchases	14		**(48)**		(11)
Balance at end of year		**$**	**2,341**	$	4,306
Contributed surplus					
Balance at beginning of year		**$**	**6,724**	$	5,850
Warrants issued			**1,167**		-
RSU granted for restructuring costs			**79**		-
Share based compensation expensed	20		**769**		1,039
Share based compensation exercised	20		**(731)**		(165)
Partial redemption - 6.0% convertible debentures maturing July 2016	19		**642**		-
Extinguishment - 6.0% convertible debentures maturing July 2016	19		**3,639**		-
Normal course issuer bid repurchases			**305**		-
Balance at end of year		**$**	**12,594**	$	6,724
Retained deficit					
Balance at beginning of year		**$**	**(21,059)**	$	(13,304)
Dividends paid	16		**(2,832)**		(5,514)
Normal course issuer bid repurchases			**(6)**		(741)
Net (loss) income for year			**(14,976)**		1,480
Other			**40**		-
Transfer of AOCI loss from sale of investment at fair value through OCI (net of tax)			**-**		(2,980)
Balance at end of year		**$**	**(38,833)**	$	(21,059)
Accumulated other comprehensive loss					
Balance at beginning of year		**$**	**-**	$	(3,864)
Other comprehensive income (net of tax)			**-**		884
Sale of investment at fair value through OCI (net of tax)			**-**		2,980
Balance at end of year		**$**	**-**	$	-
Total equity		**$**	**25,878**	$	35,892

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

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars, except share information)

For the year ended,	Note	**December 31, 2015**	December 31, 2014
Operating Activities			
Net (loss) income for the year		**$ (14,194)**	$ 2,550
Adjustments for non-cash items:			
Deferred income taxes	6,13	**(3,212)**	383
Impairment loss		**15,873**	-
Net gain on partial redemption and derecognition of 6.0% convertible debentures maturing July 31, 2016	8	**(3,939)**	-
Interest expense	8	**3,020**	2,529
Depreciation of property and equipment		**294**	421
Amortizaton of intangible assets - finite life		**1,001**	1,196
Amortization of deferred sales commissions		**2,348**	1,247
Accretion	8	**1,575**	1,734
Share based compensation	20	**784**	1,105
Net loss on financial instruments		**385**	1,012
Change in fair value of forward purchase contract	7	**(2,645)**	-
Restructuring cost through contributed surplus	25	**79**	-
Other non-cash gains/losses		**75**	-
Income tax expense		**(576)**	1,495
		$ 868	$ 13,672
Change in non-cash working capital	9	**2,800**	1,150
		$ 3,668	$ 14,822
Income taxes (paid) received		**(1,083)**	(1,364)
Net cash from operating activities		**$ 2,585**	$ 13,458
Investing Activities			
Property and equipment expenditures	12	**$ (150)**	$ (262)
Acquisition of investments at fair value through profit or loss		**(2,663)**	(917)
Acquisition of intangible assets	13	**-**	(1,833)
Proceeds from sale of investment at fair value through other comprehensive income		**-**	8,670
Proceeds from sale of investments at fair value through profit or loss		**1,450**	162
Deferred sales commissions paid	11	**(798)**	(2,194)
Non-cash dispoal of warrants		**-**	83
Net cash from investing activities		**$ (2,161)**	$ 3,709
Financing Activities			
Proceeds from issuance of units	14	**$ 5,986**	$ -
Share issue costs	14	**(65)**	(14)
Partial redemption of 6.0% convertible debentures maturing July 2016	19	**(6,000)**	-
Payment of non-controlling interest		**(784)**	(1,072)
Proceeds from exercise of share options	20	**-**	211
Normal course issuer bid repurchases		**(896)**	(1,497)
Shares repurchased and held in treasury		**(951)**	(239)
Repayment of revolving term facility	17	**-**	(305)
Interest paid		**(2,589)**	(2,481)
Dividends paid in cash	16	**(2,633)**	(5,391)
Net cash (used in) from financing activities		**$ (7,932)**	$ (10,788)
Change in cash and cash equivalents		**$ (7,508)**	$ 6,379
Cash and cash equivalents, beginning of year		**12,209**	5,830
Cash and cash equivalents transferred to disposal group held for sale	6	**(1,446)**	-
Cash and cash equivalents, end of year		**$ 3,255**	$ 12,209

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

Notes to the Consolidated Financial statements

For the years ended December 31, 2015 and 2014

(tabular amounts are in thousands of Canadian dollars except share and per share information)

1. Reporting Entity

Aston Hill Financial Inc. (the “Company” or “Aston Hill”) is incorporated under the laws of the Province of Alberta, Canada and is a company domiciled in Canada. The financial statements of the Company as at and for the years ended December 31, 2015 and 2014 comprise the Company and its wholly-owned and majority-owned subsidiaries. The principal business of Aston Hill is the management, marketing, distribution and administration of mutual funds, closed end funds, private equity funds, hedge funds, segregated institutional funds, and other fee-based investment products for Canadian investors.

The Company is a publicly traded corporation on the Toronto Stock Exchange (“TSX”) and the head office and principal address of the Company is Suite 2110, 77 King Street West, Toronto, Ontario, M5K 1G8. The registered and records office of the Company is Suite 500, 321 - 6th Avenue SW, Calgary, Alberta, T2P 3H3.

These consolidated financial statements (“financial statements”) were approved and authorized for issuance by the Board of Directors on March 18, 2016.

2. Basis of Preparation

a) Statement of compliance:

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

The accounting policies applied in these financial statements are based on IFRS effective for the year ending December 31, 2015, as issued and outstanding as of March 18, 2016.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

I. Financial instruments are initially measured at fair value;

II. Financial assets and liabilities at fair value through profit or loss are measured at fair value with changes in fair value recorded in net income;

III. Financial assets and liabilities at fair value through other comprehensive income are measured at fair value with changes in fair value recorded in other comprehensive income;

IV. Financial assets and liabilities at amortized cost are discounted to fair value at initial recognition; and

V. Share based compensation is initially recorded at fair value and subsequently recorded at amortized cost.

The methods used to measure fair values are discussed in note 5.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

2. Basis of Preparation (continued)

d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are summarized as follows:

i. Intangible assets:

   Management judgment is required for the classification of Intangible assets as either indefinite life or finite life.

   The assessment of the useful life of intangible assets is based on the guidance provided in IAS 38.90. The main factors that are considered are: i. intangible assets during the year can be managed efficiently by another management team; ii. there are no fixed termination dates that can be foreseen; and iii. the rights to the intangible assets acquired by the Company do not expire.

   If the Company assesses that an intangible asset has a finite life, the Company must estimate the useful life of the intangible asset based on fixed termination dates and rights to the intangible assets.

ii. Operating and reportable segments:
   Management assesses operating and reportable segments on an annual basis. This assessment follows the principles of IFRS 8 and involves judgment with respect to the type of internal reporting reviewed by management to make strategic and operational decisions for the Company, whether discrete financial information is available, and whether revenues and expenses that are incurred are allocated or aggregated. As more fully described in note 6, the Company committed to a plan to sell the brokerage segment of the business, which was no longer assessed as significant to disclose separately, in November 2015. The agreement to sell the brokerage segment was entered into on March 11, 2016, with closing of the transaction expected to occur on or before March 31, 2016. As a result, the assets of this unit are presented as held for sale as at December 31, 2015. The Company now operates only one business segment which is the activity related to asset management, which includes management, sub-advisory services and administration services for the Company's funds under management.

iii. Impairment of intangible assets:

   The Company completes a cash generating unit analysis and identification process annually in accordance with IAS 36 which defines a cash generating unit as the smallest group of assets that includes the asset and generates cash inflows that are largely independent cash inflows from other assets or groups of assets.

   The identification involves judgment and the following four criteria are assessed: i. Operations; ii. Regulatory regime; iii. Management; and iv. Revenue. As at December 31, 2015, the Company has assessed that two cash generating units ("CGU") exist within the organization, the asset management CGU and the brokerage CGU. As more fully described in note 6, the brokerage CGU is not considered significant to disclose separately and is also classified as held for sale as at December 31, 2015.

2. Basis of Preparation (continued)

The Company's goodwill and indefinite life intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. The values associated with the valuation of the Company's goodwill and indefinite life intangibles and their allocation to CGUs involves significant estimates and assumptions. The Company uses the higher of fair value less cost to sell and the value in use method in order to calculate the recoverable amount of the CGU. Significant estimates require considerable judgment regarding the underlying assets under management ("AUM") associated with the CGUs and available AUM multiples from recent transactions for similar assets within the same industry. Further details are provided in note 3(e) and note 13.

iv. Measurement of share based compensation:

The cost of employee services received (share based compensation expense) in exchange for awards of equity instruments recognized is estimated using a Black-Scholes option valuation model which requires the use of assumptions. Further details regarding the assumptions used in the option pricing model are provided in note 20.

v. Valuation of financial instruments:

The values associated with financial instruments involve significant estimates and assumptions based on the method employed in determining its fair value. These financial instruments include but are not limited to, the valuation of investments at fair value through profit or loss and investments at fair value through other comprehensive income. These estimates require judgments in the determination of inputs to valuation models utilized in the assessment of fair value. Further details regarding the assumptions used in the valuation of financial instruments are provided in note 4.

vi. Deferred sales commissions:

Commissions paid to registered investment dealers on the sale of units or shares of mutual funds and closed end funds managed by the Company are recorded as deferred on the trade date of the sale. Deferred sales commissions are amortized over the expected investment period which is assessed periodically based on judgments by management as to the estimated retention period of investors, as well as historical redemption information. Refer to note 11 for further details.

vii. Income Taxes:

A provision for income taxes is prepared at each reporting period and involves making an estimate of taxes currently payable or recoverable and taxes expected to be payable or recoverable in future periods. Deferred tax assets are recognized after an assessment of whether future taxable income will be sufficient in order to use the asset.

viii. Investments in funds managed by the Company:

Investments held at fair value through profit or loss largely consist of seed capital in the Company's funds under management. Management uses judgment in its assessment for control, significant influence or joint control as well as for the appropriate disclosures at each reporting period based on the principles of IFRS 10, IAS 28 and IFRS 12. Please see note 3(q) for further details.

3. Significant accounting policies

a) Basis of consolidation:

i. Subsidiaries:

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

ii. Business combinations:

All business combinations, including acquisitions of subsidiaries and assets that meet the definition of a business under IFRS are accounted for using the acquisition method of accounting.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Contingent consideration is included in the cost of acquisition at fair value. Directly attributable transaction costs are expensed in the current period and reported within general and administration expenses.

iii. Balances and transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the financial statements.

b) Foreign currency:

Transactions in foreign currencies are translated to Canadian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the period end exchange rate.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in net income as a component of finance expense.

c) Cash and cash equivalents:

Cash and cash equivalents are initially measured at fair value and are subsequently recorded at amortized cost. Cash and cash equivalents comprise cash on hand, term deposits held with banks, and other short-term liquid investments with original maturities of three months or less.

3. Significant accounting policies (continued)

d) Financial instruments:

The Company applies IFRS 9 to the recognition and measurement of financial assets and liabilities. Phase I and Phase II of IFRS 9 were issued in November 2009 and were early adopted by the Company in 2011. The final version of IFRS 9 issued in July 2014 has not been early adopted by the Company – refer to note 3 u).

Initial Recognition

Regular purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value though profit or loss are expensed in the statement of net and comprehensive income.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognized in net income and presented in the statement of net and comprehensive income in the period in which it arises. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in net income when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method.

Subsequent Measurement of Financial Assets

Non-Equity Instruments

IFRS 9 (as issued in November 2009) includes a single model that has only two classification categories for financial instruments other than equity instruments: amortized cost and fair value. To qualify for amortized cost accounting, the instrument must meet two criteria:

I. The objective of the business model is to hold the financial asset for the collection of the cash flows; and

II. All contractual cash flows represent only principal and interest on that principal.

All other instruments are mandatorily measured at fair value. Classification under IFRS 9 is determined at inception based on the two criteria previously described.

The Company is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present unrealized and realized fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to net income. Dividends from such investments continue to be recognized in net income as long as they represent a return on investment.

3. Significant accounting policies (continued)

Impairment of Financial Assets Carried at Amortized Cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Subsequent Measurement of Financial Liabilities

Financial liabilities either held for trading or designated at fair value through profit or loss are subsequently measured at fair value with gains and losses recognized in net income.

Financial liabilities not designated at fair value through profit or loss are subsequently measured at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. These financial instruments are classified as current liabilities if payment is due within twelve months or if the obligation is expected to be settled in the Company's normal operating cycle. Otherwise, they are presented as non-current liabilities.

Embedded derivatives that are not closely related to such host financial liability contracts and meet the definition of a derivative are separated and measured at fair value through profit or loss.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Derecognition of Financial Assets and Financial Liabilities

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when they are extinguished – that is, when the obligation specified in the contract is discharged or cancelled or expires. Derecognition accounting is applied when certain criteria are met and as described in note 19, the Company applied judgement in assessing the criteria that led to accounting for the change in the terms of the convertible debentures as an extinguishment of the liability.

e) Business combinations, goodwill, indefinite life intangible assets and other intangible assets:

Intangible assets represent identifiable non-monetary assets and are acquired either separately or through a business combination. Intangible assets acquired through a business combination are recognized separately from goodwill when they are separable or arise from contractual or other legal rights, and their fair value can be measured reliably. The cost of a separately acquired intangible asset includes its purchase price and directly attributable costs of preparing the asset for its intended use.

3. Significant accounting policies (continued)

All business combinations are accounted for using the acquisition method. Identifiable intangible assets are recognized separately from goodwill and included in intangible assets. Goodwill represents the residual value of the purchase price plus any deferred tax liabilities incurred above the fair value of the net identifiable assets acquired on the date of acquisition. The company is required to assess impairment for goodwill and indefinite life intangible assets on an annual basis or when there are indicators of an impairment. The indefinite life intangible assets are assessed for impairment based on the lowest level for which there are separately identifiable cash inflows, or cash-generating unit (CGU), for internal management purposes. As at December 31, 2015, the Company has assessed two CGUs: i) asset management CGU and ii) brokerage CGU. As more fully described in note 6, the brokerage CGU is classified as held for sale as at December 31, 2015. In accordance with IFRS 5, the assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs of disposal. The full goodwill balance was allocated to the asset management CGU as it relates to a prior period acquisition within this CGU.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is the present value of the expected future cash flows from a CGU. Fair value less costs to sell is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. If either method exceeds the carrying amount then no impairment is indicated and there is no requirement to use the other method.

The carrying amount of the CGU includes the carrying amount of assets, liabilities and goodwill allocated to the CGU. If the recoverable amount is less than the carrying value, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other non-financial assets of the CGU proportionately based on the carrying amount of each asset. Any impairment loss is charged to income in the period in which the impairment is identified. Goodwill is stated at cost less accumulated impairment losses. Subsequent reversals of goodwill impairment are prohibited.

Upon disposal of a portion of a CGU, the carrying amount of goodwill and intangible assets relating to the portion of the CGU sold is included in the determination of gains or losses on disposal. The carrying amount is determined based on the relative fair value of the disposed portion to the total CGU.

The Company uses the fair value less costs to sell valuation method in order to calculate the recoverable amount of the asset management CGU by using external evidence such as binding sale agreements or recent transactions for similar businesses within the same industry, which is considered to be the extent that it is available.

Significant judgment is involved in estimating the appropriate external evidence used by management to value the recoverable amount of the asset management CGU using the fair value less costs to sell valuation method. External evidence, such as research reports published by third parties which detail historical management contract acquisitions, provides a mean enterprise value divided by AUM and an enterprise value divided by EBITDA. The Company uses a range of enterprise value divided by AUM (2.2% - 3.1% in the current year) in order to determine the market value of the intangible assets held at the end of the year. The enterprise value of the CGU is compared to the carrying value of the CGU. An excess in enterprise value indicates that no impairment exists. In addition, the fair value less cost to sell of the CGU are also assessed using a valuation method practiced by industry analysts. A valuation multiplier of 9 times EBITDA, which is in line with the multiple used by analysts when valuing the Company, is multiplied by the annual ending EBITDA value that is attributed to the applicable CGU.

As the brokerage CGU was classified as held for sale as of December 31, 2015, the non-current assets of this disposal group are stated at the lower of carrying amount and fair value less costs of disposal. Refer to note 6 for further information.

3. Significant accounting policies (continued)

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets with a finite-life are amortized on a straight-line basis over their estimated useful lives. Indefinite life intangible assets have no termination date and management expects to utilize them for the foreseeable future. Finite life intangible assets are assessed for impairment only when there is an indication that the carrying value of the asset is no longer recoverable. The Company applies the same valuation techniques as discussed above.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

f) Convertible Debentures

The Company's convertible debentures are derivative financial instruments consisting of a liability with an embedded conversion feature. The fair value of the 6.5% extendible convertible unsecured subordinated debentures due January 31, 2019 ("the amended debentures") recognized in November 2015 was estimated using the observed initial trading price as these debentures are considered to be traded in an active market. The fair value of the liability portion of the amended debentures was determined using a discount rate of 16%, based on the effective yield on the extendible convertible unsecured debentures due July 31, 2016 ("the original debentures") for the period prior to the amendments, and adjusted downward to incorporate several factors as more fully described in note 19. The remainder of the fair value is recognized and included in shareholders' equity, net of deferred income tax effects. The fair value of the liability portion of the original debentures was initially determined using a market interest rate for an equivalent non-convertible debenture.

g) Capital stock:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

h) Property and equipment:

i. *Recognition and measurement:*

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized, net, within other income in net income.

3. Significant accounting policies (continued)

ii. *Depreciation:*

For property and equipment, depreciation is recognized in net income on a declining balance basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives for property and equipment for the current year is as follows:

Computer software	100% declining balance
Computer hardware	30% declining balance
Equipment	20% declining balance
Furniture and fixtures	20% declining balance
Leasehold Improvements	straight line over the term of the lease

Depreciation methods, useful lives and residual values are reviewed annually.

i) Operating leases:

All of the Company's leases are operating leases, which are not recognized on the Company's statement of financial position. Payments made under operating leases are recognized in net income on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

j) Share based compensation:

i. *Employee share purchase plan*

Employee share purchase plan benefit obligations are measured on an undiscounted basis on the date the shares are purchased in the open market and are expensed as the related service is provided.

ii. *Employee stock options and deferred share plans:*

The grant date fair value of options and deferred shares granted to employees is recognized as share based compensation expense, with a corresponding increase in contributed surplus over the vesting period. The grant date fair value of options and deferred shares granted are determined using the Black-Scholes option valuation model which requires the use of assumptions. Further detail regarding the assumptions used in the option pricing model is provided in note 20.

k) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on associated assets.

3. Significant accounting policies (continued)

l) Deferred sales commissions:

Commissions paid to registered investment dealers on the sale of units or shares of mutual funds and closed end funds managed by the Company are recorded as deferred on the trade date of the sale. Deferred sales commissions are amortized over the expected investment period of the underlying investor of 36 months (October 1, 2013 to September 30, 2015 – 48 months; prior to October 1, 2013 – 36 months) on a straight line basis from the date recorded.

The Company reviewed the deferred sales commissions amortization policy in the fourth quarter of 2015 based on data available and has determined that an amortization period of 36 months is appropriate. The Company adopted the 36 month straight line amortization, prospectively, effective October 1, 2015 as a change in estimate. The effect in the current period was an increase in deferred sales commission amortization expense and a decrease in the deferred sales commission asset of $444,000.

When redemptions of units or shares occur and the actual investment period is shorter than expected, the unamortized deferred sales commissions related to the original investment in the mutual fund is charged to net income and included in the amortization of deferred sales commissions. The investor is charged an early redemption fee which is included in net income immediately.

m) Revenue:

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Management fees and other consist of management, sub-advisory and brokerage revenue. Management and sub-advisory fees are based on a percentage of the daily average net asset value of the funds managed and are recognized on an accrual basis as the service is being performed. The fees range from less than 1% to 2% for management fees and 0.15% to 0.5% for sub-advisory fees. Brokerage revenue encompasses brokerage fees, investment management fees, and sales commissions, which are recognized as the related services are performed.

Administrative service fees are based on the enterprise value of the entity managed and are recognized on an accrual basis as the service is being performed.

n) Finance expense:

Finance expense comprises the gain recognized on the extinguishment of convertible debentures as well as interest and accretion expense on the convertible debentures and credit facility. Foreign currency gains and losses, reported under finance expenses, are reported on a net basis.

o) Net income per share:

Basic net income per share is calculated by dividing the net income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted net income per share is determined by adjusting the net income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as warrants and stock options granted to employees.

3. Significant accounting policies (continued)

p) Income tax:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

q) Subsidiaries and investments in funds managed by the Company:

At each reporting period, the Company assesses its investments in funds managed by the Company for control, or significant influence. Factors considered in the Company's assessment of control and significant influence over the funds involve: i) extent of the Company's interest in the Funds; ii) rights held by other investors; iii) the remuneration the Company is entitled to for its services as a manager to the fund; and iv) the scope of the Company's decision making authority. If a fund is considered to be controlled by the Company, it will be consolidated. If it is determined that the Company has significant influence or joint control over a fund, it is considered to be an associate. The investment is presented as an investment at fair value through profit or loss and is subject to the disclosure requirements in IFRS 12.

The Company has one significant wholly owned subsidiary, which is incorporated in Canada. The name of this company is Aston Hill Asset Management Inc. ("AHAM").

3. Significant accounting policies (continued)

The Company's subsidiaries and associates include:

Name	Country of Incorporation or formation	Relationship	Proportion of ownership	Non-controlling interest ownership	Non-controlling interest profit (loss)	Accumulated non-controlling interest profit (loss)
Aston Hill Asset Management Inc.	Canada	Subsidiary	100.00%	0.00%	-	-
Aston Hill Financial Management Ltd.	Canada	Subsidiary	100.00%	0.00%	-	-
Aston Hill Energy 2014 GP Inc.	Canada	Subsidiary	100.00%	0.00%	-	-
Aston Hill Securities Inc.	Canada	Subsidiary	100.00%	0.00%	-	-
Aston Hill Capital Markets Inc. (i)	Canada	Subsidiary	80.00%	20.00%	699	-
AHF Capital Partners Inc.	Canada	Subsidiary	51.00%	49.00%	83	317
Aston Hill Holdings Ltd.	Canada	Subsidiary	100.00%	0.00%	-	-

(i) The non-controlling interest ("NCI") for Aston Hill Capital Markets ("AHCM") is determined under an agreement and is based on the percentage of equity ownership and certain performance metrics agreed upon by the Company and the minority shareholders. The allocated NCI is paid out to the minority shareholders and the nature of the payment is considered to be NCI for accounting purposes based on IFRS 10 App B paragraphs B94 and 96.

The principal place of business for both AHF Capital Partners Inc. ("AHF CP") and Aston Hill Capital Markets Inc. ("AHCM") are located in Canada. The following is the summarized financial information of the subsidiaries and associates that have material non-controlling interests of the Company:

During the year ended December 31, 2015, AHF CP paid dividends of $84,000 (2014 - $146,000) to the non-controlling interest of AHF CP and dividends of $nil (2014 - $nil) were paid to the non-controlling interest of AHCM (see (i) above).

	Aston Hill Capital Markets Inc.		AHF Capital Partners Inc.	
(in thousands of Canadian dollars)	**December 31, 2015**	December 31, 2014	**December 31, 2015**	December 31, 2014
Current assets	**1,616**	3,343	**492**	718
Non-current assets	**-**	1	**1**	2
Current liabilities	**1,391**	3,119	**280**	529
Non-current liabilities	**80**	80	**23**	-
Shareholder's equity	**145**	145	**190**	191
Revenue	**9,053**	11,302	**1,680**	1,586
Net and comprehensive income before tax	**81**	-	**232**	376
Net and comprehensive (loss) income after tax	**81**	(1)	**170**	277
Cash flow from operations	**(1,636)**	687	**186**	484

r) Forward purchase contract liability

The forward purchase contract liability is measured at fair value through profit or loss. The fair value is calculated by reference to the share price of Aston Hill.

s) Disposal groups held for sale

Disposal groups comprising assets and liabilities are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Refer to note 6.

3. Significant accounting policies (continued)

t) New standards and interpretations adopted:

On January 1, 2015, the Company adopted the following new standards and amendments to standards, with no significant impact on the company's financial statements.

- *Annual Improvements to IFRSs 2010-2012 Cycle:* amendments to *IAS 24 Related Party Transactions, IAS 16 Property, Plant and Equipment,* and *IAS 38 Intangible Assets.*
- *Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)*

u) New and amended standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2015 and earlier application is permitted; however the Company has not early applied the following new or amended standards in preparing these financial statements.

- *IFRS 15 – Revenue from Contracts with Customers.* IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements from the application of IFRS 15.
- *IFRS 9 – Financial Instruments* – as issued by the IASB in July 2014. The final version of IFRS includes (i) a third measurement category for financial assets – fair value through other comprehensive income, and (ii) a single, forward-looking 'expected loss' impairment model. The final version of IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements from the application of the final version of IFRS 9. As described in note 3.d), in 2011 the Company early adopted Phase I and Phase II as issued by the IASB in November 2009.

The following new or amended standards are not expected to have a significant impact on the Company's financial statements:

- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).*
- *Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38).*
- *Equity Method in Separate Financial Statements (Amendments to IAS 27).*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, IFRS 12, and IAS 28).*
- *Annual Improvements to IFRSs 2012-2014 Cycle – various standards.*
- *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).*
- *Disclosure Initiative (Amendments to IAS 1).*

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Cash and cash equivalents, trade and other receivables, note receivable and trade and other payables:

The fair value of cash and cash equivalents, trade and other receivables, note receivable and trade and other payables are approximated to be their carrying value due to their short term nature.

b) Financial assets and liabilities at fair value through profit or loss:

Non-derivative financial assets and liabilities at fair value through profit or loss are classified as, and reported at, fair value through profit or loss. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The investments held at fair value through profit or loss are valued at each reporting period using the closing price of the reporting period. Any unrealized gains or losses are included in net losses (gains) on investments in net income in the period.

c) Financial assets at fair value through other comprehensive income:

The Company's investment in Journey Energy Inc. ("Journey") was a financial asset reported at fair value through other comprehensive income. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Estimated fair value was determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly fashion over a reasonable period of time.

The Company used estimation techniques to determine fair value which include using recent arm's length market transactions between knowledgeable and willing parties, reference to the current fair value of another financial instrument, if available, that is substantially the same, discounted cash flow analysis, multiple earnings analysis, and reserve based valuations. The investment in Journey was disposed of on June 24, 2014.

d) Convertible debentures:

The Company has convertible debenture obligations outstanding, of which a liability component has been classified as a financial liability at amortized cost. The convertible debentures have fixed interest rates which differ from the market interest rate available to the Company for a debenture without a conversion feature, which resulted in an adjustment to fair value being recognized in equity. The fair value of the liability portion of the amended debentures at initial recognition was determined using a discount rate of 16%, based on the effective yield on the extendible convertible unsecured debentures due July 31, 2016 ("the original debentures") for the period prior to the amendments, and adjusted downward to incorporate several factors as more fully described in note 19.

The fair value at recognition of the equity component of the convertible debenture was determined using the residual method in which the difference between the fair value of the convertible instrument and the fair value of a notional non-convertible debenture with similar terms, is allocated as the fair value of the equity component.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Determination of fair values (continued)

e) Share based compensation:

The fair value of employee share based compensation is measured using a Black-Scholes option pricing model. Measurement inputs include the share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

f) Summary of fair values:

The following tables provide fair value measurement information for financial assets and liabilities in accordance with the fair value hierarchy as of December 31, 2015 and 2014. In addition, the financial assets and liabilities are classified as: i. fair value through profit or loss; ii. other financial assets; and iii. financial liabilities:

	Carrying	Fair	**Fair value measurements using**		
December 31, 2015	Amount	Value	Level 1	Level 2	Level 3
Financial assets:					
Fair value through profit or loss					
Investments at fair value through profit or loss	$ 2,954	$ 2,954	$ 1,269	$ 1,685	$ -
Other financial assets					
Cash and cash equivalents	3,255	3,255	3,255	-	-
Trade and other receivables	2,792	2,792	-	2,792	-
Receivable from subsidiary classified as held for sale	840	840	-	840	-
Disposal group assets held for sale	1,665	1,665	1,446	219	-
Total financial assets	$ 11,506	$ 11,506	$ 5,970	$ 5,536	$ -
Financial liabilities:					
Trade and other payables	$ (3,443)	$ (3,443)	$ -	$ (3,443)	$ -
Provisions	(4,560)	(4,560)	-	(2,582)	(1,978)
Forward purchase contract liability	(1,368)	(1,368)	-	(1,368)	-
Disposal group liabilities classified as held for sale	(1,173)	(1,173)	-	(1,173)	-
Convertible debentures(i)	(26,103)	(23,650)	(23,650)	-	-
Total financial liabilities	$ (36,647)	$ (34,194)	$ (23,650)	$ (8,566)	$ (1,978)

(i) Convertible debentures carrying amount determined by amortized cost; fair value measured by the quoted price of the outstanding convertible debentures.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Determination of fair values (continued)

December 31, 2014	Carrying Amount	Fair Value	Fair value measurements using Level 1	Level 2	Level 3
Financial assets:					
Fair value through profit or loss					
Investments at fair value through profit or loss	$ 2,035	$ 2,035	$ 858	$ 1,177	$ -
Other financial assets					
Cash and cash equivalents	12,209	12,209	12,209	-	-
Trade and other receivables	5,221	5,221	-	5,221	-
Restricted trust units receivable	68	68	-	68	-
Total financial assets	$ 19,533	$ 19,533	$ 13,067	$ 6,466	$ -
Financial liabilities:					
Trade and other payables	$ (4,165)	$ (4,165)	$ -	$ (4,165)	$ -
Provisions	(3,210)	(3,210)	-	(3,210)	-
Forward purchase contract liability	(4,012)	(4,012)	-	(4,012)	-
Convertible debentures[(i)]	(38,087)	(39,473)	(39,473)	-	-
Total financial liabilities	$ (49,474)	$ (50,860)	$ (39,473)	$ (11,387)	$ -

(i) Convertible debentures carrying amount determined by amortized cost; fair value measured by the quoted price of the outstanding convertible debentures.

Level 1 Fair Value Measurements

Inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 Fair Value Measurements

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Includes inputs using a valuation methodology other than quoted prices included within Level 1.

Level 3 Fair Value Measurements

Inputs that are not based on observable market data and that are significant to the fair value measurement. These unobservable inputs reflect the Company’s own assumptions about what a market participant would use in estimating fair value of a financial instrument.

The Company will transfer between levels in the fair value hierarchy only when the instrument no longer satisfies the definition of the fair value category it was recognized in. During the years ended December 31, 2015 and December 31, 2014, there were no transfers between levels.

Fair value is calculated using recent arm’s length transactions, or prevailing market rates for instruments with similar characteristics, or internal and external valuation models, such as discounted cash flow analysis, net asset value, or the multiple of earnings valuation approach.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Determination of fair values (continued)

The Company sold its equity investment in Journey, an oil and gas producing entity on June 24, 2014. The Company previously owned 1,415,595 common shares or approximately 2.7% of the total outstanding common shares of Journey. At the time of the sale, the fair market value of the investment was $8,670,000. As such, the Company recognized an increase in fair value through other comprehensive income of $884,000. Upon the sale of the equity investment, the total accumulated other comprehensive income (loss) including the change in fair value during the current period was transferred into retained earnings, consistent with IFRS 9.

Journey was previously classified as a Level 3 fair value measurement. However, upon its IPO on June 19, 2014, the investment was transferred to a level 1 investment, before it was sold, as quotable market prices became available.

The following table reconciles the Company's level 3 fair value measurements for the year ended December 31, 2014:

		December 31, 2014
Balance at beginning of year		7,786
Change in fair value during the period		884
Transfer of investment at fair value through other comprehensive income		(8,670)
Balance at end of year	$	-

5. Financial Risk Management

Overview:

The Company's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities including:

- Credit risk;
- Liquidity risk;
- Market risk;
- Price risk; and
- Interest rate risk.

This note presents information about the Company's exposure to the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

5. Financial Risk Management (continued)

a) Credit risk:

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, trade and other receivables, prepaid deposits and expenses, and restricted trust units are exposed to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness and feels that the creditworthiness of its counterparties is satisfactory at this time. Cash and cash equivalents primarily consist of highly liquid temporary deposits with Canadian chartered banks and, from time to time, guaranteed investment certificates. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

The maximum exposure to credit risk at the year-end is as follows:

	Carrying Amount	
	December 31, 2015	December 31, 2014
Cash and cash equivalents	**$ 3,255**	$ 12,209
Trade and other receivables	**2,792**	5,221
Prepaid expenses	**316**	544
Prepaid deposits and expenses	**133**	1,748
Restricted trust units receivable	**-**	68
Total credit risk exposure	**$ 6,496**	$ 19,790

Trade and other receivables:

All of the Company's operations are conducted in Canada. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Receivables are normally collected on the 15th day of the month following the month or quarter in which the management fee was earned. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with its counterparties. The Company historically has not experienced any collection issues with its counterparties.

The Company does not anticipate any default as it transacts with creditworthy counterparties and management does not expect any losses from non-performance by these counterparties.

The maximum exposure to credit risk for receivables at the reporting date by type of counterparty was:

	Carrying Amount	
	December 31, 2015	December 31, 2014
Sub-advisory fee receivables	**$ 226**	$ 875
Management fee receivables	**2,056**	2,992
Administration fee receivables	**-**	217
Other receivables	**510**	1,137
Trade and other receivables	**$ 2,792**	$ 5,221

A significant amount of the Company's trade and other receivables are due from related parties. As at December 31, 2015, 74% (2014 – 70%) of the Company's trade and other receivables is due from related parties (note 23).

(tabular amounts are in thousands of Canadian dollars except share and per share information)

5. Financial Risk Management (continued)

As at December 31, 2015, the Company's trade and other receivables are aged as follows:

		December 31, 2015		December 31, 2014
Current	**$**	**2,773**	$	5,153
Over 90 days		**19**		68
	$	**2,792**	$	5,221

The Company believes that the entire trade and other receivables balance is collectible. Accordingly, management has not provided for an allowance for doubtful accounts as at December 31, 2015 or December 31, 2014.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To achieve this objective, the Company prepares annual operational expenditure budgets which are regularly monitored and updated as considered necessary. The Company also attempts to match its payment cycle with collection of its revenue on the 15th of each month.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

As at December 31, 2015		Carrying amount	Contractual cash flows	Less than one year	One - two years	Two - five years	More than five years
Financial liabilities:							
Trade and other payables		$ 3,443	$ 3,443	$ 3,443	$ -	$ -	$ -
Convertible debentures	-principal	26,103	33,785	-	-	33,785	-
	-interest	7,046	7,046	1,556	2,196	3,294	-
Operating leases		-	6,431	1,818	1,982	2,548	83
Forward purchase contract liability		1,368	1,368	1,187	-	181	-
		$ 37,960	**$ 52,073**	**$ 8,004**	**$ 4,178**	**$ 39,808**	**$ 83**

As at December 31, 2014		Carrying amount	Contractual cash flows	Less than one year	One - two years	Two - five years	More than five years
Financial liabilities:							
Trade and other payables		$ 4,165	$ 4,165	$ 4,165	$ -	$ -	$ -
Convertible debentures	-principal	38,087	40,176	-	40,176	-	-
	-interest	4,822	4,822	2,411	2,411	-	-
Operating leases		-	4,898	1,862	1,267	1,344	425
Forward purchase contract liability		4,012	4,100	-	603	3,497	-
		$ 51,086	**$ 58,161**	**$ 8,438**	**$ 44,457**	**$ 4,841**	**$ 425**

(tabular amounts are in thousands of Canadian dollars except share and per share information)

5. Financial Risk Management (continued)

c) Market risk:

Market risk is the potential for loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices. The Company's financial instruments are generally denominated in Canadian dollars and do not have significant exposure to changes in foreign exchange rates.

The Company's securities holdings are classified at fair value through profit or loss, therefore changes in fair market value on securities are recorded in net income or other comprehensive income.

Further risks related to market risks that are present in the Company are as follows:

i. Price risk:

The Company is exposed to equity securities price risk because of investments held by the Company. As at December 31, 2015, had the fair values of the investments at fair value through profit or loss increased or decreased by 5%, with all other variables held constant, net income would have increased or decreased by approximately $148,000 (2014 - $102,000).

ii. Interest rate risk:

The Company's interest rate risk arises from short and long-term borrowings. The interest rates on the Company's credit facilities are variable, based on prime or bankers acceptances. For the twelve months ended December 31, 2015, had the interest rate increased or decreased by 25 basis points, the Company would have decreased or increased net income by approximately $nil (2014 - $nil).

d) Capital management

The Company has established a control environment that ensures market risks are reviewed regularly and that risk controls throughout the Company are operating in accordance with regulatory requirements. Exposure to interest rate risk, price risk, and other market risks are monitored and when a particular market risk is identified, management are directed to mitigate the risk by reducing their exposure.

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, financial obligations, debt covenants, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base.

Capital of the Company comprises shareholders' equity, its revolving line of credit and convertible debentures. The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements and long-term investments made by the Company, business expansion and other strategic objectives. There were no changes in the Company's approach to capital management during the year ended December 31, 2015.

The Company's capital consists of the following:

	December 31, 2015	December 31, 2014
Convertible debentures	**26,103**	38,087
Shareholders' equity	**25,878**	35,892
	$ 51,981	$ 73,979

(tabular amounts are in thousands of Canadian dollars except share and per share information)

5. Financial Risk Management (continued)

Four of the Company's subsidiaries are subject to externally imposed capital requirements. AHAM, AHCM and AHF CP are registered with the Canadian Securities Administrators as Investment Fund Managers. Aston Hill Securities Inc. ("AHS") is a Type 2 Introducing Broker registered with the Investment Industry Regulatory Organization of Canada ("IIROC"). AHAM, AHFCP and AHCM are each currently required to maintain minimum working capital of $100,000, plus $100,000 deductible under their respective bonding insurance policies. AHS is required to maintain a level of Risk-Adjusted Capital greater than $nil in accordance with such requirements as IIROC may from time to time prescribe. In the event of non-compliance, these subsidiaries are required to file additional financial information, and to review their policies and procedures for compliance with securities law, and file a compliance report. At December 31, 2015, the Company and its subsidiaries are in compliance with all externally imposed capital requirements.

6. Disposal group held for sale

In November 2015, the Company committed to a plan to sell the brokerage segment of the business and efforts to sell the disposal group commenced. Accordingly, as at December 31, 2015, the assets and liabilities of the disposal group are presented as held for sale. A sale agreement has been signed on March 11, 2016, and the completion date for the transaction is expected by March 31, 2016.

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell, which resulted in an impairment of $373,000 being recognized in respect of the intangible assets included in the disposal group. The fair value was measured using the price at which the Company negotiated the sale of the disposal group. At December 31, 2015, the disposal group comprised the following assets and liabilities:

		December 31, 2015
Cash		1,446
Accounts receivable		219
Prepaid expenses		207
Prepaid deposits and expenses		1,451
Assets held for sale	**$**	**3,323**

		December 31, 2015
Trade and other payables		(333)
Current income tax payable		(24)
Loan payable (i)		(840)
Liabilities held for sale	**$**	**(1,197)**

(i) The subordinated loan from Aston Hill to AHS will be transferred as part of the disposal group. Accordingly, on classification of the brokerage segment as held for sale, the loan payable is included in the disposal group liabilities held for sale with the corresponding loan receivable included in non-current assets in the consolidated balance sheet as of December 31, 2015.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

7. Net (gains) losses on investments

For the year ended,		**December 31, 2015**		December 31, 2014
Loss on sale of financial assets				
through profit and loss	**$**	**8**	$	-
Decrease in fair value of				
financial assets through profit and loss (i)		**378**		1,012
Other		**10**		1
Change in fair value of forward purchase contract (ii)		**(2,645)**		-
Interest and dividend income		**(829)**		(385)
Total net losses (gains) on investments	**$**	**(3,078)**	$	628

(i) The Company's investments in financial assets through profit or loss as shown on the statement of financial position consists of seed capital, or secondary investment, in the open end and closed end funds managed by the Company.
(ii) The forward purchase contract, initially entered into in August 2013, was amended with the effect that the liability is recorded at fair value at each reporting date and the resulting change in fair value is recorded in net (gains) losses on investments. The fair value of the forward purchase contract liability is now solely dependent on the Aston Hill share price.

8. Finance expense

For the year ended,		**December 31, 2015**		December 31, 2014
Interest on convertible debentures	**$**	**2,942**	$	2,461
Other interest expense		**81**		68
Total interest expense		**3,023**		2,529
Accretion of convertible debenture discount (i)		**1,575**		1,652
Accretion of forward purchase contract		**-**		82
Loss on partial redemption of convertible debentures (ii)		**126**		-
(Gain) on extinguishment of 6.00% convertible debentures maturing July 31, 2017 (iii)		**(3,811)**		-
(Gain) recognized on normal course issuer bid repurchases		**(59)**		-
Foreign exchange (gain) loss		**(2)**		10
Net finance expense	**$**	**852**	$	4,273

(i) Accretion of convertible debentures includes accretion of debt issuance costs and accretion of the equity component of the convertible debentures into debt.

(ii) On November 16, 2015, the Company redeemed $6 million of the original debentures in cash on a pro-rata basis. The difference between the cash paid to redeem the original debentures, and the carrying value of the liability component of the original convertible debentures as at that date, was recorded as a loss within finance expense.

(iii) On November 16, 2015, the original debentures were derecognized. The difference between the consideration paid, which was determined as the fair market value of the amended debentures based on the closing price on their first day of trading, and the carrying value of the liability component of the original convertible debentures, was recorded as a gain within finance expense. Refer to note 19 for further information.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

9. Supplemental cash flow information

Changes in non-cash working capital from operating activities is comprised of:

		December 31, 2015		December 31, 2014
Source/(use) of cash:				
Trade and other receivables	**$**	**2,210**	$	1,674
Restricted trust units receivable		**68**		360
Prepaid expenses and deposits (note 16)		**45**		(73)
Trade and other payables (i)		**(873)**		(763)
Provisions		**1,350**		(48)
	$	**2,800**	$	1,150

(i) The change in trade and other payables includes $85,000 in relation to an amount that was payable to a non-controlling interest as at December 31, 2015; and includes interest payable of $563,000 relating to the derecognized original 6.0% extendible convertible unsecured debentures maturing July 2016.

10. Income taxes

a) The income tax provision on the statement of net income differs from the expected income provision as follows:

		December 31, 2015		December 31, 2014
Expected expense (recovery) at a statutory rate of 26.4% (2014 - 26.0%)	**$**	**(4,747)**	$	1,151
Add (deduct) effects of:				
Impact of permanent differences		**716**		481
Revision of opening tax pool balances		**(62)**		(120)
Impact of unrecognized benefits		**480**		326
Other		**(175)**		40
	$	**(3,788)**	$	1,878

The Company's applicable tax rate is the Canadian combined rate in the provinces of Ontario, Alberta and Nova Scotia. The statutory rate has increased from 26.0% in the prior year to 26.4% in the current year due to a variance in the provincial allocation.

Total tax (recovery) expense consists of the following:

		December 31, 2015		December 31, 2014
Current taxes	**$**	**(576)**	$	1,495
Deferred taxes		**(3,212)**		383
	$	**(3,788)**	$	1,878

b) The components of the Company's deferred tax asset (liability) are a result of the origination and reversal of temporary differences and comprise the following:

(tabular amounts are in thousands of Canadian dollars except share and per share information)

10. Income taxes (continued)

		December 31, 2015		December 31, 2014
Deferred tax assets:				
Financial asset at fair value through profit or loss	**$**	**94**	$	45
Property, plant and equipment		**13**		-
Oil and gas properties		**14**		14
Share issue costs		**164**		217
Borrowing costs		**52**		-
Capital loss carryforwards		**-**		480
Restructuring provision		**781**		-
		1,118		756
Less deferred tax liabilities:				
Property and equipment		**-**		(6)
Financial asset at fair value through profit or loss		**-**		(18)
Intangible assets		**(7,890)**		(10,949)
Convertible debentures liability component		**(1,188)**		-
Convertible debentures equity component		**(815)**		(528)
Deferred sales commissions		**(458)**		(869)
Net deferred tax liabilities	**$**	**(9,233)**	$	(11,614)

Deferred tax assets have been recognized in respect of the temporary differences because it is probable that future taxable income will be available against which the Company can utilize the benefits.

Current market conditions made Aston Hill's future utilization of its capital losses less probable than not, and as such, the Company has not recognized the benefit of capital losses of $806,000 for the year ended December 31, 2015 (2014 - $326,000).

The Company does not expect to recover or settle the majority of its deferred tax assets and liabilities within the next twelve month period.

11. Deferred sales commissions

		December 31, 2015		December 31, 2014
Gross balance, beginning of year	**$**	**6,238**	$	4,044
Deferred sales commissions paid		**798**		2,194
Gross balance, end of year	**$**	**7,036**	$	6,238
Accumulated amortization, beginning of year	**$**	**2,958**	$	1,711
Amortization of deferred sales commissions		**2,348**		1,247
Accumulated amortization, end of year	**$**	**5,306**	$	2,958
Carrying amounts	**$**	**1,730**	$	3,280

Deferred sales commissions represent commissions paid by the Company to brokers and dealers on deferred sales charge mutual funds, and are recorded on the settlement date of the sale of the applicable mutual fund product. Deferred sales commissions are amortized over the expected investment period of 36 months (October 1, 2013 to September 30, 2015 – 48 months; prior to October 1, 2013 – 36 months) on a straight-line basis from the date recorded.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

11. Deferred sales commissions (continued)

The Company reviewed the deferred sales commission amortization policy in the fourth quarter of 2015 based on data available and has determined that a useful life of three years (36 months) is appropriate. The Company adopted the 36 month straight line amortization prospectively from October 1, 2015, as a change in estimate. The effect in the current period was an increase in deferred sales commission expense and a decrease in the deferred sales commission asset of $444,000.

For further discussion on the use of estimates and the accounting policy, please refer to note 2 and note 3.

12. Property and equipment

	Computer equipment & software	Leasehold Improvements	Furniture fixtures & others	Total
Balance at December 31, 2013	$ 605	$ 1,433	$ 913	$ 2,951
Additions	132	13	117	262
Disposals	-	-	-	-
Balance at December 31, 2014	737	1,446	1,030	3,213
Additions	92	39	19	150
Reclassified to assets held for sale	(2)	-	(2)	(4)
Disposals	-	-	(6)	(6)
Balance at December 31, 2015	**$ 827**	**$ 1,485**	**$ 1,041**	**$ 3,353**
Depreciation:				
Balance at December 31, 2013	$ 458	$ 879	$ 459	$ 1,796
Depreciation for the year	141	166	114	421
Balance at December 31, 2014	599	1,045	573	2,217
Depreciation for the year	86	113	95	294
Reclassified to assets held for sale	(2)	-	(2)	(4)
Balance at December 31, 2015	**$ 683**	**$ 1,158**	**$ 666**	**$ 2,507**
Carrying amounts:				
December 31, 2014	$ 138	$ 401	$ 457	$ 996
December 31, 2015	**$ 144**	**$ 327**	**$ 375**	**$ 846**

(tabular amounts are in thousands of Canadian dollars except share and per share information)

13. Intangible assets and goodwill

Carrying Amounts	Management contracts - finite life	Other finite life	Management contracts - indefinite life	IIROC registration - indefinite life	Goodwill	Total
At December 31, 2013	$ 3,891	$ 55	$ 62,925	$ 329	$ 3,946	$ 71,146
Net additions	-	-	1,833	-	-	1,833
Amortization	(1,190)	(6)	-	-	-	(1,196)
At December 31, 2014	$ 2,701	$ 49	$ 64,758	$ 329	$ 3,946	$ 71,783
Net additions	-	-	-	-	-	-
Amortization	(996)	(5)	-	-	-	(1,001)
Impairment	-	-	(11,554)	-	(3,946)	(15,500)
Impairment loss on intangible assets on reclassification to held for sale	-	(44)	-	(329)	-	(373)
At December 31, 2015	**$ 1,705**	**$ -**	**$ 53,204**	**$ -**	**$ -**	**$ 54,909**

Intangible assets consist of fund management contracts, the IIROC registration and the investment dealer network acquired through various business acquisitions.

During the year ended December 31, 2015, additions of $nil (December 31, 2014 - $1,833,000) were externally acquired and were assessed to be indefinite life intangible assets. The Company assessed the useful life of intangible asset acquisitions based on the guidance provided in IAS 38.90. The main factors that were considered were: i. intangible assets during the year can be managed efficiently by another management team; ii. there are no fixed termination dates that can be foreseen; and iii. the rights to the intangible assets acquired by the Company do not expire. The Company's indefinite life intangible assets consist of management contracts with no fixed termination dates. While the finite life intangible assets consist of management contracts with fixed termination dates.

For the year ended December 31, 2015, amortization has been recognized for the finite-life intangible assets, which have estimated useful lives ranging from one to six years (December 31, 2014 – one to nine years).

For the purposes of assessing impairment, please refer to the Company's policy disclosed in note 3(e). The Company assesses at each reporting date whether there is any indication that an asset may be impaired. Intangible assets must be tested for impairment whenever there is an impairment indicator. In addition, goodwill, indefinite life intangible assets and intangible assets that are not yet ready for use must also be tested for impairment annually regardless of whether impairment indicators exist. If any indication exists, the asset's recoverable amount is compared to its carrying value ("impairment test"). The Company performed this test for intangibles assets and goodwill at the associated CGU level. The full goodwill balance was allocated to the asset management CGU for the purposes of impairment testing, as it related to an acquisition within this CGU in 2013.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

13. Intangible assets and goodwill (continued)

The asset management CGU recoverable amount was assessed using the asset's fair value less costs to sell valuation method. Fair value less cost to sell is the best estimate obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Accordingly, the Company determined the recoverability of its asset management CGU based on an analysis using the underlying enterprise value over total AUM from recent transactions for similar assets within the same industry. Recent management contracts acquisitions had a total enterprise value over total AUM ranging from 2.1% to 11.5%. The Company has reviewed this analysis in the context of all relevant factors of each transaction separately, and has concluded that a reasonable company specific adjusted comparable multiple to apply is in the 2.2% to 3.1% range, with the midpoint of 2.65% being used. The recoverable amount calculated using the fair value less cost to sell valuation method is classified as a level 3 input in the fair value hierarchy. The recoverable amount calculated under the fair value less costs to sell method exceeded the recoverable amount using the value in use method and therefore was used to calculate the amount of the impairment recognized. Using the midpoint of 2.65%, the carrying amount exceeded the recoverable amount by $15,500,000, so the Company recognized an impairment loss on its intangible assets by first allocating an amount to goodwill resulting in the goodwill balance being written down to $nil. Goodwill will not be written back up in future periods should the recoverable amount increase in value. Next, the Company analyzed the remaining assets of the CGU to determine which assets should be allocated the remaining impairment loss to be allocated. It was determined that the recoverable amount of all other assets except the remaining asset management indefinite life intangible assets exceeded their carrying amounts. As such, the entire remaining impairment loss, after the impairment of goodwill in the amount of $3,946,000, was allocated to the asset management CGU indefinite life intangible assets. The resulting impairment of the indefinite life intangible assets, other than goodwill, is $11,554,000 and is recognized, together with the goodwill impairment, as impairment loss in the statement of net and comprehensive income.

If the 3.10% EV/AUM multiple at the high end of the range was applied, the resulting impairment loss would have been $5,750,000. If the EV/AUM multiple at the low end of the range, being 2.2%, was applied, the resulting impairment loss would have been $25,271,000. The break-even multiple is 3.37%.

For the Company's brokerage CGU, which is classified as held for sale as of December 31, 2015, the non-current assets of the disposal group held for sale are measured at the lower of their carrying amount and fair value less costs of disposal. On reclassification to held for sale, an impairment loss of $373,000 was recorded in respect of the indefinite and finite life intangible assets within the brokerage CGU.

The Company's material finite life intangible assets at December 31, 2015 consist of:

Material finite life intangible assets	Description	Carrying value	Remaining amortization period (years)
Australian Banc Income Fund	Management Contract	$ 1,452	6

14. Share capital, treasury stock, and warrants

At December 31, 2015 and December 31, 2014, the Company was authorized to issue an unlimited number of common shares. All common shares issued and outstanding are fully paid and have no par value. The holders of common shares are entitled to receive dividends as declared by the Company and are entitled to one vote per share.

14. Share capital, treasury stock, and warrants (continued)

On September 23, 2013, based on an employment contract, 1,304,844 common shares were issued for $1,600,000 to an employee as a recruitment bonus based on ten years of service to the Company in return for a promissory note maturing on September 16, 2023. The $1,600,000 promissory note is non-interest bearing with the current portion ($160,000) and the non-current portion ($1,073,000) included in disposal group assets held for sale as of December 31, 2015. The promissory note is amortized to general and administrative expenses over 10 years based on certain performance measures. For the year ended December 31, 2015, general and administrative expenses included $160,000 (2014- $160,000) of related amortization.

For the year ended December 31, 2015, share issue costs net of deferred tax totaled $59,000 (December 31, 2014: $10,000).

On October 15, 2015, the Company renewed its notice of intention to make a normal course issuer bid for a portion of its common shares and its extendible convertible unsecured subordinated debentures. Aston Hill intends to acquire up to 6,377,576 common shares and $3,980,000 principal amount of convertible debentures in the 12-month period commencing October 20, 2015 and ending on October 19, 2016, which represented 10% of the public float of outstanding common shares and convertible debentures, respectively, as of October 6, 2014. The Company has purchased 661,000 common shares and $245,000 principal amount of the convertible debentures under the renewed normal course issuer bid.

Under the Company’s last NCIB which terminated on October 19, 2015, the Company purchased 1,334,000 common shares and $155,000 principal amount of the convertible debentures.

During the year ended December 31, 2015, 1,654,000 common shares were purchased under the Company’s Normal Course Issuer Bid (“NCIB”) for a total of $582,000 net of share issue costs. The weighted average cost of capital of these shares of $859,000 was recorded as a reduction of share capital. When common shares are repurchased, the carrying value is recognized as a reduction of share capital. When the carrying value exceeds the purchase price, the excess of the average carrying value over the purchase price is recorded as contributed surplus. When the purchase price is higher than the average carrying value, the excess of the purchase price over the carrying value first reduces any previously recognized contributed surplus, with any remaining excess recorded as a reduction to retained earnings. Common share transactions are recognized on a settlement date basis. During the year ended December 31, 2015, $302,000 (December 31, 2014: $745,000) was recorded to contributed surplus and $6,000 (December 31, 2014: $nil) was recorded as a direct reduction to retained earnings.

On October 3, 2015, the Company completed a non-brokered private placement consisting of the issue of 13,302,222 units at a purchase price of $0.45 per unit, for total gross proceeds of $5,986,000. Each unit consisted of one common share and one-quarter of a common share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at a price of $0.60 per common share with a term to expiry of twelve months. The company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component of fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their estimated fair value. The remaining balance is allocated to the attached warrants.

As at December 31, 2015, 13,302,222 one-quarter warrants are outstanding and exercisable as 3,325,555 full warrants, at an exercise price of $0.60 per full warrant.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

14. Share capital, treasury stock, and warrants (continued)

Of the 13,302,222 units issued, 3,283,334 units were subscribed to by key management personnel of the Company for gross proceeds of $1,477,500. The terms of the related party transactions were equivalent to those prevailing for non-related party subscribers in the non-brokered private placement.

15. Net (loss) income per share

Basic net (loss) income per share is calculated as follows:

For the year ended,		**December 31, 2015**		December 31, 2014
Net (loss) income to controlling interest for the year	**$**	**(14,976)**	$	1,480
Issued common shares at beginning of the year		**88,988**		89,954
Effect of share options exercised		**-**		226
Effect of treasury stock transactions		**(63)**		(113)
Effect of normal course issuer bid transactions		**(338)**		(581)
Effect of private placement		**3,907**		-
Effect of dividend reinvestment plan		**173**		39
Weighted average number of common shares - basic		**92,667**		89,525
Basic net (loss) income per share	**$**	**(0.162)**	$	0.017

Diluted net (loss) income per share is calculated as follows:

For the year ended,		**December 31, 2015**		December 31, 2014
Net (loss) income to controlling interest for the year	**$**	**(14,976)**	$	1,480
Weighted average number of common shares - basic		**92,667**		89,525
Effect of outstanding options		**-**		193
Effect of deferred equity plan		**129**		593
Effect of deferred share unit plan for outside directors		**144**		43
Weighted average number of common shares - diluted		**92,940**		90,354
Diluted (loss) income per share	**$**	**(0.162)**	$	0.016

For the twelve months ended December 31, 2015, the effect of 68,595,000 (December 31, 2014 – 37,708,000) shares issuable resulting from the Company's convertible debenture is excluded from diluted earnings per share as the effect is anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

15. Net (loss) income per share (continued)

Aston Hill may, at its option, elect to satisfy its obligation to pay the principal amount of the convertible debentures which are to be redeemed, or the principal amount of the convertible debentures which are due on the final maturity date, as the case may be, by issuing freely tradable common shares to the holders of the convertible debentures. The number of Common Shares to be issued is determined by dividing the aggregate principal amount of the outstanding convertible debentures which are to be redeemed or which have matured by 95% of the current market price of the common shares on the redemption date or the final maturity date, as the case may be.

The Company is required to presume that the principal balance of the convertible debentures will be settled in common shares, and the resulting potential common shares shall be included in diluted earnings per share if the effect is dilutive. The instrument was redeemable at the option of the Company prior to the maturity dates during a specified redemption period beginning on or after July 31, 2014 and ending on July 31, 2015 at a price equal to their principal amount of $1,000 per debenture plus accrued and unpaid interest; the Company could only exercise its right to this redemption, within this specified period, provided that the current market price for the common shares was at least 125% of the conversion price. On or after July 31, 2015, until the effective date of the amendments of November 16, 2015 (refer to note 19 for further details) the instrument could be redeemed in whole or in part from time to time at the option of Aston Hill at a price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the date the instrument is redeemed.

16. Dividends

The following dividends have been charged directly to retained deficit during the year ended:

	December 31, 2015	December 31, 2014
Regular dividends paid	**$ 2,832**	$ 5,514

Regular dividends were paid on December 7, 2015, August 26, 2015, May 26, 2015, February 24, 2015, November 26, 2014, August 15, 2014, May 14, 2014, and February 26, 2014. On February 13, 2015 the Company announced as part of its corporate initiatives to reduce quarterly dividend payments to $0.005 per share after the dividend payment on February 24, 2015.

Dividend Reinvestment Plan

On March 12, 2014, the Company announced the Dividend Reinvestment Plan (“DRIP”) commencing with the dividends declared in May 2014. The Company’s DRIP allows eligible shareholders to elect to reinvest all, or a portion, of the dividends declared by the Company in additional Common Shares at a discount. The discount was set at five percent in 2014. In 2015, the Company issued 373,000 (2014 – 125,000) common shares from treasury in accordance with the DRIP in lieu of making cash dividend payments of $189,000 (2014 – 123,000).

(tabular amounts are in thousands of Canadian dollars except share and per share information)

17. Credit facilities

On July 27, 2015, the Company renewed the Revolving Facility for nine months. On October 28, 2015, the borrowing limit, terms, and financial covenants of the Revolving Facility were amended. The Revolving Facility as of December 31, 2015 has a borrowing limit of $4,000,000 and the following terms:

Total Debt/EBITDA	Bankers acceptances	Prime	Standby Fee[1]
Less than or equal to 1:1	+2.50%	+1.50%	0.625%
Greater than 1:1	+2.75%	+1.75%	0.688%

The applicable margin calculation is based on the total debt ratio excluding debentures and other subordinated debt according to the financial statement balances on the financial statements of Aston Hill. The margin is recalculated every fiscal quarter. During the year ended December 31, 2015, the Company's borrowing on the Revolving Facility was based on Prime at 3% plus 1% as the total debt/EBITDA ratio was less than 1. The effective interest rate was 4% as the Company did not enter into any bankers acceptances during the period.

As at December 31, 2015 and December 31, 2014 the Company had $nil outstanding on the Revolving Facility.

The Revolving Facility is secured by a general security agreement of the Company, an unlimited guarantee by Aston Hill, a limited guarantee from AHAM, an assignment of all service and management contracts, an assignment of a key executive's key man life insurance policies and a pledge of the share capital of AHAM and all of the equity securities held. The Company's key man life insurance policies have a 10 year term with no cash surrender value.

The Revolving Facility contains a number of financial covenants that require the Company to meet certain financial ratios and financial condition tests. As at December 31, 2015, the Company is within its financial covenants with respect to its Revolving Facility, which requires that the total senior debt to earnings before interest, taxes, depreciation and amortization as calculated on the Aston Hill financial statements, remains below 1.2 to 1; and that Aston Hill's assets under management for mutual funds do not fall below $0.65 billion, and that assets under management for mutual funds plus assets under administration do not fall below $2.25 billion.

18. Provisions

The provisions for constructive obligations relate to the Company's annual obligation to award short term incentive payments to Aston Hill employees. Management estimates and provides for the obligation to award short term incentive payments to Aston Hill employees on a quarterly basis. In addition, the Company incurred restructuring costs of $4,274,000, of which $2,946,000 is included in the provision balance as of December 31, 2015. Refer to note 25 for further details.

	Current	Non-current	Total
Outstanding, December 31, 2013	$ 3,258	-	$ 3,258
Provisions recorded during the period for short term incentive payments	3,210	-	3,210
Short term incentive provisions settled during the period	(3,258)	-	(3,258)
Outstanding, December 31, 2014	3,210	-	$ 3,210
Restructuring costs (note 25)	803	2,143	2,946
Provisions recorded during the period for short term incentive payments	1,614	-	1,614
Short term incentive provisions settled during the period	(3,210)	-	(3,210)
Outstanding, December 31, 2015	**$ 2,417**	**$ 2,143**	**$ 4,560**

19. Convertible debentures

On October 29, 2015, holders of the 6.00% extendible convertible unsecured debentures maturing July 31, 2016 ("the original debentures") approved several amendments. The effective date of the amendments was November 16, 2015. The amendments extended the maturity date of the convertible debentures from July 31, 2016 to January 31, 2019; reduced the conversion price from $2.55 per share to $0.65 per share; increased the interest rate payable from 6.00% to 6.50% per annum, and other than with respect to the partial redemption described below, restrict the company from exercising its right to redeem any convertible debentures until July 31, 2017.

In conjunction with the amendments, on November 16, 2015, the Company redeemed an aggregate principal amount of $6,000,000 original debentures in cash on a pro rata basis. A loss on partial redemption of $126,000 was recorded to finance expense in the statement of net and comprehensive income, being the difference between the consideration paid, and the pro-rata carrying amount of the liability component of the original convertible debentures.

The amendments to the convertible debentures resulted in them being accounted for as extinguishments for accounting purposes. Consequently, the original debentures were derecognized and the 6.50% extendible convertible unsecured debentures maturing January 31, 2019 ("the amended debentures") were recognized at fair value, resulting in a pre-tax gain on extinguishment of $4,011,000 net of transaction costs of $200,000 which was recorded within finance expense in the statement of net and comprehensive income.

The total fair value of the liability and equity component of the amended debentures on initial recognition of $28,990,000 was estimated using the observed trading price at the time of issue as these debentures are considered to be traded in an active market. The fair value was then allocated to the liability component in the amount of $25,778,000 using discounted future cash flows at an estimated discount rate of 16.0% and the residual amount was allocated to the conversion feature in equity. The original debentures were trading at a yield of 20% for the period prior to the effective date of the amendments and, in effect, were trading as a liability without an equity component due to the conversion price of $2.55 being significantly higher than the Aston Hill share price. Therefore, the Company considered that its own original debentures were the most comparable instrument to look to as an indication of the yield on a comparable liability without an equity component to determine the applicable discount rate. This yield was adjusted downward to incorporate that the amended debentures have a longer time to maturity than the original debentures and therefore less risk of default, slightly offset by the higher coupon rate on the amended debentures, resulting in the 16% discount rate used.

The amended debentures bear interest at an annual rate of 6.50%, payable semi-annually, in arrears, on January 31st and July 31st of each year, and are convertible at the option of the holder into shares of Aston Hill at $0.65 per common share. The instrument matures on January 31, 2019. The ticker symbol for the amended debentures is AHF.DB.A.

On or after July 31, 2017, the instrument may be redeemed in whole or in part from time to time at the option of Aston Hill at a price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the date the instrument is redeemed.

During the year ended December 31, 2015, $146,000 (December 31, 2014 - $44,000) par value of the original debentures has been repurchased under the NCIB for a total of $131,000 (December 31, 2014 - $44,000). Out of the amount paid, $140,000 (December 31, 2014 - $40,000) was recorded as a reduction to the liability component of the original debentures and $26,000 (December 31, 2014 - $11,000) was recorded as a reduction to the equity component of the original debentures. A gain of $29,000 was recorded within finance expense (December 31, 2014 - $3,000). The remainder, which was $6,000 for the year ended December 31, 2014 (December 31, 2014 – $4,000) was recorded directly to retained earnings for a net amount of $131,000.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

19. Convertible debentures (continued)

During the year ended December 31, 2015, $245,000 par value of the amended debentures has been repurchased under the NCIB for a total of $180,000. Out of the amount paid, $187,000 was recorded as a reduction to the liability component of the amended debentures and $23,000 was recorded as a reduction to the equity component of the amended debentures. A gain of $27,000 was recorded within finance expense. The remainder, which was $3,000 for the year ended December 31, 2015, was recorded directly to contributed surplus, for a net amount of $180,000. As at December 31, 2015, the instrument has a face value of $33,785,000.

When convertible debentures are repurchased, the fair value of the obligation settled is recorded as a reduction of convertible debentures and convertible debentures equity component. Any difference between the principal value and fair value of the liability portion of the obligation settled on repurchase is recorded to net income, and any difference between the principal value and fair value of the equity portion of the obligation settled on repurchase is recorded to equity.

The balance of debentures outstanding and changes in the liability component during the year ended December 31, 2015 was as follows:

	6.00% extendible convertible subordinate debentures maturing July 31, 2016	6.50% extendible convertible subordinate debentures maturing January 31, 2019	Total
Liability component:			
Balance at December 31, 2013	$ 36,428	$ -	$ 36,428
Accretion of discount	1,652	-	1,652
Interest paid	(2,413)	-	(2,413)
Interest expense	2,460	-	2,460
Normal course issuer bid repurchases	(40)	-	(40)
Balance at December 31, 2014	$ 38,087	$ -	$ 38,087
Recognition at fair value	-	25,778	25,778
Accretion of discount	1,450	125	1,575
Interest paid	(2,510)	-	(2,510)
Interest expense	2,305	387	2,692
Normal course issuer bid repurchases	(141)	(187)	(328)
Partial redemption	(5,874)	-	(5,874)
Derecognition of carrying amount	(33,317)	-	(33,317)
Balance at December 31, 2015	**$ -**	**$ 26,103**	**$ 26,103**

20. Share based compensation and treasury stock

Share Option Plans

During the year ended December 31, 2015, the Company granted 2,864,000 options with a weighted average fair value of $0.11 per share. During the year ended December 31, 2014, the Company granted 1,919,000 options with a weighted average fair value of $0.29 per share. The fair value of the options granted during the years ended December 31, 2015 and December 31, 2014 were estimated at the grant date using an option pricing model with the following weighted average assumptions:

	December 31, 2015	December 31, 2014
Risk free interest rate (%)	**0.82**	1.56
Expected life of the options (years)	**3.01**	3.01
Expected share price volatility (%)	**53.86**	48.20
Expected forfeiture rate (%)	**13.44**	11.93
Expected dividend yield (%)	**6.00**	5.13

Volatility was determined based on historical share transaction data. Estimated forfeiture rate is adjusted to actual when forfeitures occur.

A summary of the status of the Company's share option plans as at December 31, 2015 and December 31, 2014 and the changes during the years then ended, are as follows:

	December 31, 2015		December 31, 2014	
	Number of Options ('000s)	**Weighted Average Exercise Price**	Number of Options ('000s)	Weighted Average Exercise Price
Outstanding, beginning of year	**6,554**	**$ 1.33**	5,866	$ 1.34
Granted	**2,864**	**$ 0.50**	1,919	1.17
Exercised	**-**	**-**	(372)	0.57
Forfeited	**(2,197)**	**$ 0.97**	(452)	1.32
Expired	**(2,637)**	**$ 1.32**	(407)	1.37
Outstanding, end of period	**4,584**	**$ 1.33**	6,554	$ 1.33
Exercisable, end of period	**1,974**	**$ 0.93**	3,356	$ 1.40

20. Share based compensation and treasury stock (continued)

December 31, 2015				
Range of exercise prices	**Number of Options Outstanding ('000s)**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life (Years)**	**Number of Options Vested ('000s)**
$0.00 - $0.50	**1,757**	**$ 0.33**	**4.71**	**-**
$0.51 - $1.00	**475**	**0.79**	**3.99**	**117**
$1.01 - $1.50	**1,444**	**1.28**	**2.32**	**949**
$1.51 - $2.00	**908**	**1.64**	**0.61**	**908**
	4,584	**$ 0.93**	**3.07**	**1,974**

December 31, 2014				
Range of exercise prices	Number of Options Outstanding ('000s)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Vested ('000s)
$0.51 - $1.00	783	$ 0.76	2.23	433
$1.01 - $1.50	3,721	1.32	3.33	1,201
$1.51 - $2.00	2,050	1.62	1.65	1,722
	6,554	$ 1.40	2.66	3,356

For the twelve months ended December 31, 2015, the share option plan is $294,000 (December 31, 2014 - $662,000) of the total share based compensation expense.

Deferred Equity Plan

During the year ended December 31, 2015, the Company granted 3,785,000 (December 31, 2014 – 260,000) deferred shares with no exercise price.

A summary of the status of the Company's deferred equity plan as at December 31, 2015, and December 31, 2014 and the changes during the years then ended, are as follows:

	December 31, 2015		
	Number of Deferred shares ('000s)	**Weighted Average Exercise Price**	**Number of Deferred shares Vested ('000s)**
Outstanding, beginning of period	**1,030**	**$ -**	**-**
Granted	**3,785**	**$ -**	**-**
Vested and settled	**(520)**		
Cancelled	**(575)**	**$ -**	**-**
Outstanding, end of period	**3,720**	**$ -**	**-**
Exercisable, end of period	**-**	**$ -**	**-**

20. Share based compensation and treasury stock (continued)

	December 31, 2014		
	Number of Deferred shares ('000s)	Weighted Average Exercise Price	Number of Deferred shares Vested ('000s)
Outstanding, beginning of period	945	$ -	-
Granted	260		
Expired	(25)	$ -	-
Cancelled	(150)	$ -	-
Outstanding, end of period	1,030	$ -	-
Exercisable, end of period	-	$ -	-

An annualized forfeiture rate of 13.44% (prior to October 1, 2015 – 11.93%) was used when recording the Deferred Equity Plan portion of stock based compensation. This estimate is adjusted to the actual forfeiture rate. The ending units under the deferred equity plan have a remaining expected life of 1.74 years (December 31, 2014 - 1.80 years).

For the twelve months ended December 31, 2015, the deferred equity plan is $427,000 (December 31, 2014 - $333,000) of the total share based compensation expense.

As at December 31, 2015, there were 3,720,000 (December 31, 2013 – 1,030,000) deferred shares that remain unvested.

Employee Benefit Trust (Treasury Stock)

During the year ended December 31, 2015, the Company released 545,000 common shares from the Aston Hill Financial Employee Benefit Plan Trust for $715,000 as exercised compensation. In addition, the Company purchased 2,704,000 common shares for consideration of $951,000 through the Aston Hill Financial Employee Benefit Plan Trust.

Deferred Share Unit Plan for Outside Directors

In 2012 the Company implemented a Deferred Share Unit Plan ("DSUP") for specified eligible directors. Under the DSUP, eligible directors may convert their annual director's fees to units in the DSUP at a price equal to their annual director's fees divided by the current market price of common shares in the Company upon the grant date, being the date shares are purchased by the Company for this plan. These shares vest upon grant and are redeemable upon the effective termination date of the participant's term of service.

All units in the DSUP vested on the grant dates in 2015 and 2014 with the amount paid by the Company for units under this plan expensed as incurred. DSUP units are held in treasury until redeemed by the plan's participant. For the year ended December 31, 2015, the DSUP made up $49,000 (December 31, 2014 - $43,000) of the total share based compensation expense.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

21. Commitments

Non-cancellable operating lease rentals are payable as follows:

		December 31, 2015		December 31, 2014
Less than one year	$	**1,818**	$	1,862
Between one and five years		**4,530**		2,611
More than five years		**83**		425
	$	**6,431**	$	4,898

The Company is also required to pay its proportionate share of operating and property tax costs for the rented premises. During the year ended December 31, 2015, the Company recorded $1,389,000 (December 31, 2014 - $1,279,000) in office lease expenses. Of this amount, $1,200,000 (December 31, 2014: 1,279,000) was included in general and administrative expenses in the Consolidated Statements of Net and Comprehensive Income (Loss). Office lease expenditures related to the Calgary office of $189,000 have been recorded directly against the restructuring provision. Refer to note 25 for further details.

22. Contingencies

The Company has agreed to indemnify certain individuals, who have acted at the Company's request to be an officer or director of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individual as a result of their services. The nature of the indemnification agreements prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to the beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks associated with such indemnification.

In the ordinary course of business, the Company and its subsidiaries enter into contracts which contain indemnification provisions, such as letter agreements, service agreements and purchase and sale agreements. In such contracts, the Company may indemnify counterparties to the contracts if certain events occur. In some cases the Company requires indemnities from its service providers, related to the Company's indemnification obligations to counterparties.

These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Company could be required to pay cannot be estimated and as such no provision has been recorded for the indemnification terms.

23. Related party transactions

In addition to those disclosed elsewhere in the financial statements, the Company had the following related party transactions:

a) The funds under management are considered to be related parties to the Company's subsidiaries who manage them. As such, the managers of the funds receive management fees and pay for expenses incurred by its various funds under management in accordance with the terms outlined in the applicable prospectus. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms in accordance with the prospectus of the funds.

   Accounts receivable as at December 31, 2015 consist of $2,206,300 (December 31, 2014 - $3,592,000) in management fees, and other amounts due from funds under management. Accounts payable as at December 31, 2015 includes $879,000 (December 31, 2014 - $314,000) in amounts due to funds under management.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

23. Related party transactions (continued)

For the year ended December 31, 2015, $29,254,000 (December 31, 2014 - $34,023,000) was recorded as revenue in respect of these management and other fees. In addition, for the year ended December 31, 2015, the Company absorbed $769,000 (December 31, 2014 - $608,000), respectively, of expenses incurred by funds under management.

b) As of May 21, 2014, Argent Energy Trust ("Argent") is no longer considered to be a related party as key management personnel of Aston Hill ceased to perform key management personnel services to Argent, however all income statement transactions incurred up to this date in the prior year are considered to be related party transactions. The transactions discussed below relate to the period in which Argent was considered a related party.

i) For the year ended December 31, 2015, $nil of total administrative revenue (December 31, 2014: $700,000) was considered to be related party. For the year ended December 31, 2015, $nil (December 31, 2014 - $256,000) in salary and overhead recoveries for shared overhead costs that have been reimbursed by Argent was considered related party.

ii) On August 10, 2012, 210,000 restricted trust units receivable were granted with a par value of $10.00 per unit to the Company for services rendered under the Contract. 70,000 restricted trust units vest per year. On August 10, 2013, the Company was paid $784,000 to settle the first vested tranche of restricted trust units receivable. As Argent is no longer considered to be a related party post May 21, 2014, only revenue recorded before that date is disclosed in the year end balances. For the year ended December 31, 2015, $nil (December 31, 2014 - a gain of $24,000) was recorded as revenue.

c) RJT Capital Inc. ("RJT") is a company which owns 49% of the outstanding shares of AHF CP, a subsidiary of the Company. RJT is paid a consulting fee for management services performed for AHF CP.

In addition, payments of expenses are centralized and paid out of Aston Hill, as such RJT reimburses AHF for any expenses paid on behalf of the subsidiary which were paid by the Company. As at December 31, 2015, $6,800 (December 31, 2014 - $18,000) of trade and other receivables relate to RJT for operating expenses incurred on behalf of the subsidiary which were paid by the Company. As at December 31, 2015, $142,000 (December 31, 2014 - $129,000) of trade and other payables related to the consulting fee payable to RJT. Total consulting fees incurred to date as of December 31, 2015 was $1,078,000 (December 31, 2014 - $1,118,000).

d) The aggregate compensation expense of key management(i) was as follows:

		December 31, 2015		December 31, 2014
Wages and salaries(iii)	**$**	**2,713**	$	4,480
Benefits and other personnel costs		**292**		385
Share based compensation (ii)		**460**		383
Total remuneration	**$**	**3,465**	$	5,248

i) Key management includes the Company's directors and officers.

ii) Represents the amortization of stock based compensation associated with options granted to directors and executive officers as recorded in the financial statements.

iii) The wages and salaries balance includes a non-recurring employee contractual obligation paid in 2014 of $0.9 million.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

23. Related party transactions (continued)

e) As at December 31, 2014, $2,800,000 (2014 - $1,901,000) of the financial assets at fair value through profit or loss are related to seed capital provided by the Company to provide capital to new funds that are managed by the Company. As these funds are managed by the Company's subsidiaries, they are considered to be related party. For the year ended December 31, 2015, a loss of $245,000 (2014 – gain of $109,000) of the net gains on investments recorded during the year was related to these funds under management.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties.

24. Segmented information

As more fully described in note 6, management committed to a plan to sell the brokerage segment of the business, which was no longer considered significant to separately disclose, in November 2015. The agreement to sell the brokerage segment was entered into on March 11, 2016, with closing of the transaction expected to occur on or before March 31, 2016. As a result, the assets of this unit are presented as held for sale as at December 31, 2015. The Company now operates only one business segment which is the activity related to asset management, which includes management, sub-advisory services and administration services for the Company's funds under management.

25. Restructuring Costs

On June 30, 2015, the Company issued a press release that the Calgary office functions would be consolidated with the Toronto office in order to increase cost efficiencies. In addition, a significant shift in the management structure was also indicated. These events triggered the recognition of obligations due to a remaining lease contract for the office space until March 31, 2022 and termination and related post-employment benefits, in accordance with IAS 37.

The restructuring costs are considered to be a significant new estimate due to the estimates used to calculate the provision for the onerous lease and termination and related post-employment benefits. The provision is subject to re-assessment at each reporting period. The Company determined three classes of restructuring costs as of June 30, 2015 which have varying factors subject to change, and are summarized, with corresponding changes in period end balances, in the following table:

	Onerous Lease	Termination Benefits	Legal and other	Total Restructuring
Gross balance, beginning of year	$ -	$ -	$ -	$ -
Additional provisions made in the period	2,167	1,860	300	4,327
Amounts utilized during the period	(189)	(813)	(265)	(1,267)
Amounts reversed during the period	-	-	(35)	(35)
Amount booked to contributed surplus	-	(79)	-	(79)
Change during the year	1,978	968	-	2,946
Carrying amount, December 31, 2015	**$ 1,978**	**$ 968**	**$ -**	**$ 2,946**

25. Restructuring Costs (continued)

The onerous lease provision has been calculated using the remaining lease payments, net of estimated sublet recoveries, discounted over the remaining 7 year lease term. The net lease payments are based on external market evidence reflecting current sublease rates for long term contracts and is assessed at each reporting period. These reflect the Company's best estimate, based on the current market for commercial real estate in Calgary, given the current economic conditions. The discount rate was 1.40% based on the Bank of Canada seven year bond yield. If the estimates used, such as the timing and length of the sublease, the sublease rate or the interest rate should change, the restructuring costs associated with the lease provision would be impacted.

The termination and related post-employment benefits were communicated to the parties involved before June 30, 2015 and certain benefits have been discounted over a two year period consistent with the timing of those payments. The discount rate was 0.60% based on the Bank of Canada two year bond yield. Included in the termination and related post-employment benefits were restricted share units that will vest on July 31, 2016. The Company has calculated the fair value of this termination and related post-employment benefit using the Black-Scholes option pricing model.

The legal fees and other represent direct costs associated with the restructuring and are not subject to discounting.

26. Subsequent events

On March 11, 2016, the Company entered into a sale agreement to sell its brokerage business. The transaction is expected to close on or about March 31, 2016.