Independent Auditors' Report

To the Shareholders of
Canaccord Genuity Group Inc.

We have audited the accompanying consolidated financial statements of Canaccord Genuity Group Inc., which comprise the consolidated statements of financial position as at March 31, 2016 and 2015, and the consolidated statements of operations, comprehensive (loss) income, changes in equity and cash flows for the years then ended, and 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.

Auditors' Responsibility

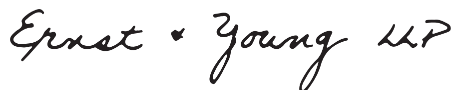
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Canaccord Genuity Group Inc. as at March 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Chartered Professional Accountants
Vancouver, Canada
June 1, 2016

Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	March 31, 2016	March 31, 2015
ASSETS			
Current			
Cash and cash equivalents		$ 428,329	$ 322,324
Securities owned	6	564,746	848,128
Accounts receivable	9	2,041,150	2,491,488
Income taxes receivable		12,537	5,295
Total current assets		3,046,762	3,667,235
Deferred tax assets	13	11,221	10,148
Investments	10	5,578	8,693
Equipment and leasehold improvements	11	37,049	43,373
Intangible assets	12	120,204	134,877
Goodwill	12	203,732	505,579
		$ 3,424,546	$ 4,369,905
LIABILITIES AND EQUITY			
Current			
Bank indebtedness	7	$ 14,910	$ 20,264
Securities sold short	6	427,435	654,639
Accounts payable and accrued liabilities	9, 19	2,185,047	2,527,636
Provisions	23	18,811	14,320
Income taxes payable		4,242	8,172
Subordinated debt	14	15,000	15,000
Total current liabilities		2,665,445	3,240,031
Deferred tax liabilities	13	450	2,057
		2,665,895	3,242,088
Equity			
Preferred shares	15	205,641	205,641
Common shares	16	617,756	620,858
Contributed surplus		86,235	85,597
Retained earnings (deficit)		(294,586)	92,815
Accumulated other comprehensive income		134,883	112,631
Total shareholders' equity		749,929	1,117,542
Non-controlling interests		8,722	10,275
Total equity		758,651	1,127,817
		$ 3,424,546	$ 4,369,905

See accompanying notes

On behalf of the Board:

"Daniel Daviau"

DANIEL DAVIAU
Director

"Terrence A. Lyons"

TERRENCE A. LYONS
Director

Consolidated Statements of Operations

For the years ended (in thousands of Canadian dollars, except per share amounts)	Notes	March 31, 2016	March 31, 2015
REVENUE			
Commissions and fees		$ 376,817	$ 374,058
Investment banking		134,207	238,517
Advisory fees		158,002	151,336
Principal trading		85,559	75,217
Interest		16,830	22,212
Other		16,390	19,423
		787,805	880,763
EXPENSES			
Incentive compensation		417,876	455,480
Salaries and benefits		92,981	85,770
Trading costs		56,998	52,795
Premises and equipment		40,863	40,281
Communication and technology		55,975	51,758
Interest		10,222	13,424
General and administrative		87,004	94,688
Amortization	11, 12	25,339	28,428
Development costs		26,129	24,448
Restructuring costs	23	17,352	24,813
Impairment of goodwill and other assets	12	321,037	14,535
		$ 1,151,776	$ 886,420
Loss before income taxes		(363,971)	(5,657)
Income tax (recovery) expense	13		
Current		(3,190)	7,261
Deferred		(2,214)	(1,600)
		(5,404)	5,661
Net loss for the year		$ (358,567)	$ (11,318)
Net (loss) income attributable to:			
CGGI shareholders		$ (358,471)	$ (13,184)
Non-controlling interests		$ (96)	$ 1,866
Weighted average number of common shares outstanding (thousands)			
Basic	16	90,553	91,693
Diluted	16	n/a	n/a
Net loss per common share			
Basic	16	$ (4.09)	$ (0.27)
Diluted	16	$ (4.09)	$ (0.27)
Dividend per Series A Preferred Share	17	$ 1.375	$ 1.375
Dividend per Series C Preferred Share	17	$ 1.4375	$ 1.4375
Dividend per common share	17	$ 0.10	$ 0.25

See accompanying notes

Consolidated Statements of Comprehensive (Loss) Income

For the years ended (in thousands of Canadian dollars)		March 31, 2016		March 31, 2015
Net loss for the year	$	(358,567)	$	(11,318)
Other comprehensive income (loss) (OCI) to be reclassified to net income (loss) in future periods				
Reversal of unrealized gains on disposal of available for sale investment		(747)		—
Net change in valuation of available for sale investments, net of tax		—		(314)
Net change in unrealized gains on translation of foreign operations, net of tax		23,471		22,945
Comprehensive (loss) income for the year	$	(335,843)	$	11,313
Comprehensive (loss) income attributable to:				
CGGI shareholders	$	(336,219)	$	8,433
Non-controlling interests	$	376	$	2,880

See accompanying notes

Consolidated Statements of Changes in Equity

As at and for the years ended (in thousands of Canadian dollars)	Notes	March 31, 2016	March 31, 2015
Preferred shares, opening and closing	15	$ 205,641	$ 205,641
Common shares, opening		620,858	653,189
Shares issued in connection with share-based payments		11,772	21,321
Acquisition of common shares for long-term incentive plan (LTIP)		(46,616)	(58,240)
Release of vested common shares from employee benefit trust		25,768	20,867
Shares cancelled		(4,779)	(11,702)
Net unvested share purchase loans		10,753	(4,577)
Common shares, closing	16	617,756	620,858
Contributed surplus, opening		85,597	74,037
Share-based payments		5,084	5,595
Shares cancelled		1,340	656
Sale (purchase) of non-controlling interests		1,517	(3,092)
Unvested share purchase loans		(7,303)	8,401
Contributed surplus, closing		86,235	85,597
Retained earnings, opening		92,815	144,799
Net loss attributable to CGGI shareholders		(358,471)	(13,184)
Common shares dividends	17	(16,938)	(26,806)
Preferred shares dividends	17	(11,992)	(11,994)
Retained earnings (deficit), closing		(294,586)	92,815
Accumulated other comprehensive income, opening		112,631	91,014
Other comprehensive income attributable to CGGI shareholders		22,252	21,617
Accumulated other comprehensive income, closing		134,883	112,631
Total shareholders' equity		749,929	1,117,542
Non-controlling interests, opening		10,275	14,912
Foreign exchange on non-controlling interests		605	(1,171)
Comprehensive income attributable to non-controlling interests		376	2,880
Dividends paid to non-controlling interests		(2,952)	(1,723)
Sale (purchase) of non-controlling interests		418	(4,623)
Non-controlling interests, closing		8,722	10,275
Total equity		$ 758,651	$ 1,127,817

See accompanying notes

Consolidated Statements of Cash Flows

For the years ended (in thousands of Canadian dollars)	Notes	March 31, 2016	March 31, 2015
OPERATING ACTIVITIES			
Net loss for the year		$ (358,567)	$ (11,318)
Items not affecting cash			
Amortization	11, 12	25,339	28,428
Deferred income tax recovery		(2,214)	(1,600)
Share-based compensation expense	18	51,900	61,305
Impairment of goodwill and other assets	12	321,037	14,535
Impairment of investment in Canadian First Financial Group Inc.	7	4,000	1,000
Write-off of intangible assets		2,350	—
Changes in non-cash working capital			
Decrease in securities owned		286,128	305,250
Decrease in accounts receivable		410,704	341,381
Increase in income taxes receivable, net		(10,667)	(1,153)
Decrease in securities sold short		(227,758)	(266,619)
Decrease in accounts payable, accrued liabilities, and provisions		(296,632)	(399,788)
Cash provided by operating activities		205,620	71,421
FINANCING ACTIVITIES			
(Decrease) increase in bank indebtedness		(4,529)	20,264
Purchase of shares for cancellation		(3,439)	(9,936)
Acquisition of common shares for long-term incentive plan		(46,616)	(58,240)
Cash dividends paid on common shares		(16,839)	(26,806)
Cash dividends paid on preferred shares		(11,992)	(11,994)
Cash paid related to CSH Inducement Plan		(2,700)	(1,295)
Proceeds from exercise of stock options		—	2,222
Cash used in financing activities		(86,115)	(85,785)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(10,565)	(5,232)
Purchase of intangible assets		(4,170)	(16,636)
Purchase of non-controlling interests		—	(7,715)
Cash used in investing activities		(14,735)	(29,583)
Effect of foreign exchange on cash balances		1,235	1,975
Increase (decrease) in cash position		106,005	(41,972)
Cash position, beginning of year		322,324	364,296
Cash position, end of year		428,329	322,324
Supplemental cash flow information			
Interest received		$ 16,892	$ 22,187
Interest paid		$ 8,524	$ 12,836
Income taxes paid		$ 10,572	$ 16,020

See accompanying notes

Notes to Consolidated Financial Statements

As at March 31, 2016 and March 31, 2015
and for the years ended March 31, 2016 and 2015
(in thousands of Canadian dollars, except per share amounts)

NOTE 01 Corporate Information

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company) is a leading independent, full-service investment dealer in Canada with capital markets operations in Canada, the United Kingdom (UK) and Europe, the United States of America (US), Australia, China and Dubai. The Company also has wealth management operations in Canada, the UK and Europe, and Australia. The Company has operations in each of the two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's private, institutional and corporate clients.

Canaccord Genuity Group Inc. was incorporated on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 2200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Company's registered office is located at Suite 1000 – 840 Howe Street, Vancouver, British Columbia, V6Z 2M1.

The Company's common shares are publicly traded under the symbol CF on the Toronto Stock Exchange (TSX). The Company's Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. The Company's Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

The Company's business experiences considerable variations in revenue and income (loss) from quarter to quarter and year to year due to factors beyond the Company's control. The Company's business is affected by the overall condition of the worldwide equity and debt markets.

NOTE 02 Basis of Preparation

STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis except for investments, securities owned, securities sold short and certain impaired non-current assets, which have been measured at fair value as set out in the relevant accounting policies.

The consolidated financial statements are presented in Canadian dollars and all values are in thousands of dollars, except when otherwise indicated.

These audited consolidated financial statements were authorized for issuance by the Company's Board of Directors on June 1, 2016.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Company, its subsidiaries and controlled special purpose entities (SPEs).

The financial results of a subsidiary or controlled SPE should be consolidated if the Company acquires control. Control is achieved when an entity has power over the investee, 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.

The results of subsidiaries acquired or disposed of during the year are included in the statements of operations from the effective date of the acquisition or up to the effective date of the disposal, as appropriate.

All inter-company transactions and balances have been eliminated. In cases where an accounting policy of a subsidiary differs from the Company's accounting policies, the Company has made the appropriate adjustments to ensure conformity for purposes of the preparation of these consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income

taxes and valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair value of financial instruments, capitalization of intangible assets related to software costs, and provisions.

Consolidation

The Company owns 50% of the voting shares of Canaccord Genuity (Australia) Limited (CGAL) as at March 31, 2016. The Company also completed an evaluation of its contractual arrangements with the other shareholders of CGAL and the power it has over the financial and operating policies of CGAL and determined it should consolidate under IFRS 10, "*Consolidated Financial Statements*" (IFRS 10) as at March 31, 2016 and 2015. Therefore, the financial position, financial performance, and cash flows of CGAL have been consolidated. Although the Company owns 50% of the issued shares of CGAL as at March 31, 2016, for accounting purposes, the Company is considered to have a 58% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. Accordingly, the Company has consolidated the entity and recognized a 42% non-controlling interest as at March 31, 2016 (March 31, 2015 – 40%), which represents the portion of CGAL's net identifiable assets not owned by the Company. At the date of acquisition, the non-controlling interest was determined using the proportionate method. Net income (loss) and each component of other comprehensive income (loss) are attributed to the non-controlling interest and to the owners of the parent.

The Company has employee benefit trusts, which are considered SPEs [Note 18], to fulfill obligations to employees arising from the Company's share-based payment plans. The employee benefit trusts have been consolidated in accordance with IFRS 10 since their activities are conducted on behalf of the Company, and the Company retains the majority of the benefits and risks of the employee benefit trusts.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Estimation may be required to determine the amount of revenue that can be recognized and also the timing of the substantial completion of the underlying investment banking or advisory transactions.

Share-based payments

The Company measures the cost of equity-settled and cash-settled transactions with employees and directors based on the fair value of the awards granted. The fair value is determined based on the observable share prices or by using an appropriate valuation model. The use of option pricing models to determine the fair value requires the input of highly subjective assumptions including the expected price volatility, expected forfeitures, expected life of the award and dividend yield. Changes in the subjective assumptions can materially affect the fair value estimates. The assumptions and models used for estimating the fair value of share-based payments, if and as applicable, are disclosed in Note 18.

Income taxes and valuation of deferred taxes

Accruals for income tax liabilities require management to make estimates and judgments with respect to the ultimate outcome of tax filings and assessments. Actual results could vary from these estimates. The Company operates within different tax jurisdictions and is subject to individual assessments by these jurisdictions. Tax filings can involve complex issues, which may require an extended period of time to resolve in the event of a dispute or re-assessment by tax authorities. Deferred taxes are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and the level of future taxable profit.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Company establishes tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the Company's experience of previous tax audits.

Impairment of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment at least annually, or whenever an event or change in circumstance may indicate potential impairment, to ensure that the recoverable amount of the cash-generating unit (CGU) to which goodwill and indefinite life intangible assets are attributed is greater than or equal to their carrying values.

In determining the recoverable amount, which is the higher of fair value less costs to sell (FVLCS) and value-in-use, management uses valuation models that consider such factors as projected earnings, price-to-earnings multiples, relief of royalties related to brand names and discount rates. Management must apply judgment in the selection of the approach to determining the recoverable amount and in making any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down. The key assumptions used to determine recoverable amounts for the different cash-generating units are disclosed in Note 12.

Impairment of other long-lived assets

The Company assesses its amortizable long-lived assets at each reporting date to determine whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount of the asset or the CGU containing the asset using management's best estimates and available information.

Allowance for credit losses

The Company records allowances for credit losses associated with clients' receivables, loans, advances and other receivables. The Company establishes an allowance for credit losses based on management's estimate of probable unrecoverable amounts. Judgment is required as to the timing of establishing an allowance for credit losses and the amount of the required specific allowance, taking into consideration counterparty creditworthiness, current economic trends and past experience. Clients' receivable balances are generally collateralized by securities; therefore, any provision is generally measured after considering the market value of the collateral, if any.

Fair value of financial instruments

The Company measures its financial instruments at fair value. Fair value is determined on the basis of market prices from independent sources, if available. If there is no available market price, then the fair value is determined by using valuation models. The inputs to these models, such as expected volatility and liquidity discounts, are derived from observable market data where possible, but where observable data is not available, judgment is required to select or determine inputs to a fair value model.

There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect the reported fair values.

Provisions

The Company records provisions related to pending or outstanding legal matters and regulatory investigations. Provisions in connection with legal matters are determined on the basis of management's judgment in consultation with legal counsel, considering such factors as the amount of the claim, the possibility of wrongdoing by an employee of the Company and precedents. Contingent litigation loss provisions are recorded by the Company when it is probable that the Company will incur a loss as a result of a past event and the amount of the loss can be reliably estimated. The Company also records provisions related to restructuring costs when the recognition criteria for provisions as they apply to restructuring costs are fulfilled.

NOTE 03 Adoption of New and Revised Standards

The Company adopted the following amendment as discussed below. There were no other new and revised standards adopted by the Company during the fiscal year.

Annual improvements – 2011 – 2013 cycle

The 2011 – 2013 annual improvements cycle included an amendment to IFRS 13, "*Fair Value Measurement*". The amendment to IFRS 13 clarifies that the portfolio can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39.

NOTE 04 Future Changes in Accounting Policies

The Company monitors the potential changes in standards proposed by the IASB and analyzes the effect that changes in the standards may have on the Company's operations. Potential changes are as follows:

IFRS 9 – "*Financial Instruments*"

In July 2014, the IASB issued the final version of IFRS *9,* "*Financial Instruments*" which reflects all phases of the financial instruments project and replaces IAS 39, "*Financial Instruments: Recognition and Measurement",* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is still in the process of assessing the impact of the adoption of IFRS 9.

IFRS 15, "*Revenue from Contracts with Customers*"

During July 2015, due to significant feedback from stakeholders and to align with the US Financial Accounting Standards Board, the International Accounting Standards Board decided to defer the effective date of IFRS 15 by one year. As a result, IFRS 15 will be effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is still in the process of assessing the impact of the adoption of IFRS 15.

IFRS 16 – “*Leases*”

During January 2016, the IASB issued the new standard, which requires lessees to recognize assets and liabilities for most leases. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 *Revenue from Contracts with Customers,* has been applied, or is applied at the same date as IFRS 16. The Company has not yet determined the impact of the adoption of IFRS 16 on the Company’s financial statements.

NOTE 05 Summary of Significant Accounting Policies

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND FOREIGN SUBSIDIARIES

The Company’s consolidated financial statements are presented in Canadian dollars, which is also the Company’s functional currency. Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at their respective functional currencies using exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at the exchange rate in effect at the reporting date. All differences upon translation are recognized in the consolidated statements of operations.

Non-monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates in effect at the date when the fair value is determined.

Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars at rates prevailing at the reporting date, and income and expenses are translated at average exchange rates prevailing during the period. Unrealized gains or losses arising as a result of the translation of the foreign subsidiaries are recorded in accumulated other comprehensive income (loss). On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of operations.

The Company also has monetary assets and liabilities that are receivable or payable from a foreign operation. If settlement of the receivable or payable is neither planned nor likely to occur in the foreseeable future, the differences upon translation are recognized in accumulated other comprehensive income (loss) as these receivables and payables form part of the net investment in the foreign operation.

INTANGIBLE ASSETS

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to their fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The amortization of intangible assets is recognized in the consolidated statements of operations as part of amortization expense.

The useful lives of identifiable intangible assets are assessed to be either finite or indefinite. Identifiable intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the identifiable intangible asset may be impaired. The amortization period and the amortization method for an identifiable intangible asset are reviewed at least annually, at each financial year end.

Identifiable intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the 50% interest in Canaccord Genuity (Australia) Limited (Canaccord Genuity Australia), Collins Stewart Hawkpoint plc (CSHP), and Eden Financial are customer relationships, non-competition agreements, trading licences and technology, which have finite lives and are amortized on a straight-line basis over their estimated useful lives. Branding acquired through the acquisition of Genuity is also considered to have an indefinite life, as it will provide benefit to the Company over a continuous period. In addition, software under development became available for use during fiscal 2016, and the Company began amortizing the asset over its estimated useful life. The estimated amortization periods of these amortizable intangible assets are as follows:

	Acquired in business combinations				Internally developed
	Genuity	Canaccord Genuity Australia	CSHP	Eden Financial	Software
Brand names	indefinite	n/a	n/a	n/a	n/a
Customer relationships	11 years	5 years	8 to 24 years	8 years	n/a
Non-competition agreements	5 years	4.5 years	n/a	n/a	n/a
Trading licences	n/a	n/a	n/a	n/a	n/a
Technology	n/a	n/a	3 years	n/a	10 years

Internally developed software

Expenditures towards the development of an individual project are recognized as an intangible asset when the Company can demonstrate that the technical feasibility of the asset for use has been established. The asset is carried at cost less any accumulated amortization and accumulated impairment losses. Capitalized costs are expenditures directly attributable to the software development, such as employment, consulting or professional fees. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the FVLCS and the value-in-use of a particular asset or CGU. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and recognized in the consolidated statements of operations.

In assessing FVLCS, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Company bases its impairment calculation on annual budget calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budget calculations generally cover a period of five years. A long term growth rate is then calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the consolidated statements of operations.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of operations.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level and when circumstances indicate that the carrying value may be impaired.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit, commercial paper and bankers' acceptances with a term to maturity of less than three months from the date of purchase, which are subject to an insignificant risk of changes in value.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

[i] Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale financial assets, as applicable.

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. For financial assets, trade date accounting is applied, the trade date being the date at which the Company commits itself to either the purchase or sale of the asset.

All financial assets are initially measured at fair value. Transaction costs related to financial instruments classified as fair value through profit or loss are recognized in the consolidated statements of operations when incurred. Transaction costs for all financial instruments other than those classified as fair value through profit or loss are included in the costs of the assets.

Classification and subsequent measurement

Financial assets classified as fair value through profit or loss

Financial assets classified as fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as fair value through profit or loss. Financial assets purchased for trading activities are classified as held for trading and are measured at fair value, with unrealized gains (losses) recognized in the consolidated statements of operations. In addition, provided that the fair value can be reliably determined, IAS 39 permits an entity to designate any financial instrument as fair value through profit or loss on initial recognition or adoption of this standard even if that instrument would not otherwise meet the definition of fair value through profit or loss as specified in IAS 39. The Company did not designate any financial assets upon initial recognition as fair value through profit or loss. The Company's financial assets classified as held for trading include cash and cash equivalents, and securities owned, including derivative financial instruments.

The Company periodically evaluates the classification of its financial assets as held for trading based on whether the intent to sell the financial assets in the near term is still appropriate. If the Company is unable to trade these financial assets due to inactive markets or if management's intent to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances.

Financial assets classified as available for sale

Available for sale assets are measured at fair value, with subsequent changes in fair value recorded in other comprehensive income, net of tax, until the assets are sold or impaired, at which time the difference is recognized in net income for the year. Investments in equity instruments classified as available for sale that do not have a quoted market price in an active market are measured at fair value unless fair value is not reliably measurable. The Company's investments in Euroclear and Canadian First Financial Holdings Limited are classified as available for sale and measured at their estimated fair value.

Financial assets classified as loans and receivables and held to maturity

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of operations. The Company classifies accounts receivable as loans and receivables. The Company did not have any held to maturity investments during the years ended March 31, 2016 and 2015.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that have occurred since the initial recognition of the asset and those events have had a significant or prolonged impact on the estimated future cash flows of the asset that can be reliably estimated. The determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of operations.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is recognized in the consolidated statements of operations and is measured as the difference between the carrying value and the fair value.

Derecognition

A financial asset is derecognized primarily when the rights to receive cash flows from the asset have expired, or the Company has transferred its right to receive cash flows from the asset.

[ii] Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings. All financial liabilities are recognized initially at fair value less, in the case of other financial liabilities, directly attributable transaction costs.

Classification and subsequent measurement

Financial liabilities classified as fair value through profit or loss

Financial liabilities classified as fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in the statements of operations. The Company has not designated any financial liabilities as fair value through profit or loss that would not otherwise meet the definition of fair value through profit or loss upon initial recognition. Bank indebtedness, contingent consideration and securities sold short, including derivative financial instruments, are classified as held for trading and recognized at fair value.

Financial liabilities classified as loans and borrowings

After initial recognition, financial liabilities classified as loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statements of operations through the EIR method of amortization. Loans and borrowings include accounts payable and accrued liabilities, and subordinated debt. The carrying value of loans and borrowings approximates their fair value.

[iii] Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

[iv] Derivative financial instruments

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indices or currency exchange rates.

The Company uses derivative financial instruments to manage foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

The Company trades in futures contracts, which are agreements to buy or sell standardized amounts of a financial instrument at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and subject to daily cash margining. The Company trades in futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk.

The Company also trades in forward contracts, which are non-standardized contracts to buy or sell a financial instrument at a specified price on a future date. The Company trades in forward contracts in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies.

FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

When available, quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs, are used to determine fair value. For financial instruments not traded in an active market, the fair value is determined using appropriate and reliable valuation techniques. Such techniques may include recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Valuation techniques may require the use of estimates or management assumptions if observable market data is not available. When the fair value cannot be reliably measured using a valuation technique, then the financial instrument is measured at cost.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measured based on the lowest level input significant to the fair value measurement in its entirety [Note 7]. For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

SECURITIES OWNED AND SOLD SHORT

Securities owned and sold short are recorded at fair value based on quoted market prices in an active market or a valuation model if no market prices are available. Unrealized gains and losses are reflected in income. Certain securities owned have been pledged as collateral for securities borrowing transactions. Securities owned and sold short are classified as held for trading financial instruments.

SECURITIES LENDING AND BORROWING

The Company employs securities lending and borrowing activities primarily to facilitate the securities settlement process. These arrangements are typically short term in nature, with interest being received when cash is delivered and interest being paid when cash is received. Securities borrowed and securities loaned are carried at the amounts of cash collateral delivered and received in connection with the transactions. Securities borrowed transactions require the Company to deposit cash, letters of credit or other collateral with the lender. For securities loaned, the Company receives collateral in the form of cash or other collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the fair value of the securities loaned and borrowed against the cash collateral on a daily basis and, when appropriate, the Company may require counterparties to deposit additional collateral or it may return collateral pledged to ensure such transactions are adequately collateralized.

Securities purchased under agreements to resell and securities sold under agreements to repurchase represent collateralized financing transactions. The Company receives securities purchased under agreements to resell, makes delivery of securities sold under agreements to repurchase, monitors the market value of these securities on a daily basis and delivers or obtains additional collateral as appropriate.

The Company manages its credit exposure by establishing and monitoring aggregate limits by customer for these transactions. Interest earned on cash collateral is based on a floating rate.

SECURITIES PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS AND OBLIGATIONS RELATED TO SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The Company recognizes these transactions on the settlement date at amortized cost using the effective interest rate method. Securities sold and purchased under repurchase agreements remain on the consolidated statement of financial position. Reverse repurchase agreements and repurchase agreements are treated as collateralized lending and borrowing transactions.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company assesses its revenue arrangements in order to determine if it is acting as principal or agent.

Commissions and fees revenue consists of revenue generated through commission-based brokerage services, recognized on a trade date basis, and the sale of fee-based products and services, recognized on an accrual basis. Realized and unrealized gains and losses on securities purchased for client-related transactions are reported as net facilitation losses and recorded as a reduction of commission revenues. Facilitation losses for the year ended March 31, 2016 were $14.3 million [March 31, 2015 – $13.8 million].

Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. Revenue from underwritings and other corporate finance activities is recorded when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Advisory fees consist of management and advisory fees that are recognized on an accrual basis. Also included in advisory fees is revenue from mergers and acquisitions activities, which is recognized when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Principal trading revenue consists of revenue earned in connection with principal trading operations and is recognized on a trade date basis.

Interest revenue consists of interest earned on client margin accounts, interest earned on the Company's cash and cash equivalents balances, interest earned on cash delivered in support of securities borrowing activity, and dividends earned on securities owned. Interest revenue is recognized on an effective interest rate basis. Dividend income is recognized when the right to receive payment is established.

Other revenue includes foreign exchange gains or losses, revenue earned from our correspondent brokerage services and administrative fees revenues.

EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Computer equipment, furniture and equipment, and leasehold improvements are recorded at cost less accumulated amortization. Amortization is being recorded as follows:

Computer equipment	33% declining balance basis
Furniture and equipment	10% to 20% declining balance basis
Leasehold improvements	Straight-line over the shorter of useful life and respective term of the leases

An item of property, plant and equipment, and any specific part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of operations when the asset is derecognized.

The assets' residual values, useful lives and method of amortization are reviewed at each financial year end, and are adjusted prospectively where appropriate.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations.

Deferred tax

Deferred taxes are accounted for using the liability method. This method requires that deferred taxes reflect the expected deferred tax effect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial statement purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

No deferred tax liability has been recognized for taxable temporary differences associated with investments in subsidiaries from undistributed profits and foreign exchange translation differences as the Company is able to control the timing of the reversal of these temporary differences. The Company has no plans or intention to perform any actions that will cause the temporary differences to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the statements of operations except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognized directly against equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the tax authority. In these circumstances, sales tax is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

TREASURY SHARES

The Company's own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. This includes shares held in the long-term incentive plan (LTIP) and unvested share purchase loans and preferred shares. No gain or loss is recognized in the statements of operations on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in contributed surplus. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them.

LOSS PER COMMON SHARE

Basic loss per common share is computed by dividing the net loss attributable to common shareholders for the period by the weighted average number of common shares outstanding. Diluted earnings per common share reflects the dilutive effect in connection with the LTIP and other share-based payment plans based on the treasury stock method. The treasury stock method determines the number of incremental common shares by assuming that the number of shares the Company has granted to employees has been issued.

SHARE-BASED PAYMENTS

Employees (including senior executives and directors) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). Independent directors also receive deferred share units (DSUs) as part of their remuneration, which can only be settled in cash (cash-settled transactions). The dilutive effect, if any, of outstanding options and share-based payments is reflected as additional share dilution in the computation of diluted earnings (loss) per common share.

Equity-settled transactions

For equity-settled transactions, the Company measures the fair value of share-based awards as of the grant date and recognizes the cost as an expense over the applicable vesting period with a corresponding increase in contributed surplus. The cost is recognized on a graded basis.

The Company estimates the number of equity instruments that will ultimately vest when calculating the expense attributable to equity-settled transactions. No expense is recognized for awards that do not ultimately vest.

When share-based awards vest, contributed surplus is reduced by the applicable amount and share capital is increased by the same amount.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. The fair values of DSUs are expensed upon grant, as there are no vesting conditions [Note 18]. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized through the statements of operations.

PROVISIONS

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of operations net of any reimbursement. If the effect of the time value of money is significant, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Legal provisions

Legal provisions are recognized when it is probable that the Company will be liable for the future obligation as a result of a past event related to legal matters and when they can be reasonably estimated.

Restructuring provisions

Restructuring provisions are only recognized when the recognition criteria for provisions are fulfilled. In order for the recognition criteria to be met, the Company needs to have in place a detailed formal plan about the business or part of the business

concerned, the location and number of employees affected, a detailed estimate of associated costs and an appropriate timeline. In addition, either the personnel affected must have a valid expectation that the restructuring is being carried out or the implementation must have been initiated. The restructuring provision recognized includes staff restructuring costs, reorganization expenses, onerous lease provisions and impairment of equipment and leasehold improvements.

LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. The Company has assessed its lease arrangements and concluded that the Company only has leases that have the characteristics of an operating lease. An operating lease is a lease that does not transfer substantially all of the risks and benefits and ownership of an asset to the lessee. Operating lease payments are recognized as an expense in the statements of operations on a straight-line basis over the lease term.

CLIENT MONEY

The Company's UK and Europe operations hold money on behalf of their clients in accordance with the client money rules of the Financial Conduct Authority in the United Kingdom. Such money and the corresponding liabilities to clients are not included in the consolidated statements of financial position as the Company is not beneficially entitled thereto. The amounts held on behalf of clients at the reporting date are included in Note 22.

SEGMENT REPORTING

The Company's segment reporting is based on the following operating segments: Canaccord Genuity, Canaccord Genuity Wealth Management and Corporate and Other. The Company's business operations are grouped into the following geographic regions: Canada, the UK and Europe, Other Foreign Locations, and the US.

NOTE 06 Securities Owned and Securities Sold Short

	March 31, 2016		March 31, 2015	
	Securities owned	Securities sold short	Securities owned	Securities sold short
Corporate and government debt	$ 402,779	$ 341,264	$ 638,551	$ 555,792
Equities and convertible debentures	161,967	86,171	209,577	98,847
	$ 564,746	$ 427,435	$ 848,128	$ 654,639

As at March 31, 2016, corporate and government debt maturities range from 2016 to 2097 [March 31, 2015 – 2015 to 2097] and bear interest ranging from 0.00% to 15.00% [March 31, 2015 – 0.00% to 15.00%].

NOTE 07 Financial Instruments

CATEGORIES OF FINANCIAL INSTRUMENTS

The categories of financial instruments, other than cash and cash equivalents and bank indebtedness, held by the Company at March 31, 2016 are as follows:

	Held for trading		Available for sale		Loans and receivables		Loans and borrowings		Total	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015	**March 31, 2016**	March 31, 2015	**March 31, 2016**	**March 31, 2015**	**March 31, 2016**	March 31, 2015
Financial assets										
Securities owned	**$ 564,746**	$ 848,128	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —	**$ 564,746**	$ 848,128
Accounts receivable from brokers and investment dealers	**—**	—	**—**	—	**1,303,222**	1,503,666	**—**	—	**1,303,222**	1,503,666
Accounts receivable from clients	**—**	—	**—**	—	**365,272**	601,486	**—**	—	**365,272**	601,486
RRSP cash balances held in trust	**—**	—	**—**	—	**298,839**	276,159	**—**	—	**298,839**	276,159
Other accounts receivable	**—**	—	**—**	—	**73,817**	110,177	**—**	—	**73,817**	110,177
Investments	**—**	—	**5,578**	8,693	**—**	—	**—**	—	**5,578**	8,693
Total financial assets	**$ 564,746**	$ 848,128	**$5,578**	$8,693	**$2,041,150**	$2,491,488	**$ —**	$ —	**$2,611,474**	$3,348,309
Financial liabilities										
Securities sold short	**$ 427,435**	$ 654,639	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —	**$ 427,435**	$ 654,639
Accounts payable to brokers and investment dealers	**—**	—	**—**	—	**—**	—	**986,993**	1,172,198	**986,993**	1,172,198
Accounts payable to clients	**—**	—	**—**	—	**—**	—	**992,661**	1,130,893	**992,661**	1,130,893
Other accounts payable and accrued liabilities	**—**	—	**—**	—	**—**	—	**205,393**	224,545	**205,393**	224,545
Subordinated debt	**—**	—	**—**	—	**—**	—	**15,000**	15,000	**15,000**	15,000
Total financial liabilities	**$ 427,435**	$ 654,639	**$ —**	$ —	**$ —**	$ —	**$2,200,047**	$2,542,636	**$2,627,482**	$3,197,275

The Company has not designated any financial instruments as fair value through profit or loss upon initial recognition.

FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at March 31, 2016, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value		
			March 31, 2016	
	March 31, 2016	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 39,392	$ —	$ 39,392	$ —
Government debt	363,387	186,126	177,261	—
Corporate and government debt	402,779	186,126	216,653	—
Equities	160,177	130,758	29,266	153
Convertible debentures	1,790	—	1,790	—
Equities and convertible debentures	161,967	130,758	31,056	153
Available for sale investments	5,578	—	3,138	2,440
	570,324	316,884	250,847	2,593
Securities sold short				
Corporate debt	(14,498)	—	(14,498)	—
Government debt	(326,766)	(200,324)	(126,442)	—
Corporate and government debt	(341,264)	(200,324)	(140,940)	—
Equities	(86,171)	(67,923)	(18,248)	—
	(427,435)	(268,247)	(159,188)	—

		Estimated fair value		
			March 31, 2015	
	March 31, 2015	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 18,369	$ —	$ 18,369	$ —
Government debt	620,182	128,049	492,133	—
Corporate and government debt	638,551	128,049	510,502	—
Equities	208,678	186,950	21,505	223
Convertible debentures	899	—	27	872
Equities and convertible debentures	209,577	186,950	21,532	1,095
Available for sale investments	8,693	—	3,963	4,730
	856,821	314,999	535,997	5,825
Securities sold short				
Corporate debt	(18,032)	—	(18,032)	—
Government debt	(537,760)	(137,924)	(399,836)	—
Corporate and government debt	(555,792)	(137,924)	(417,868)	—
Equities	(98,847)	(95,715)	(3,132)	—
	(654,639)	(233,639)	(421,000)	—

Movement in net Level 3 financial assets

Balance, March 31, 2014	$ 20,628
Transfer to Level 1 assets	(11,608)
Net unrealized loss during the year	(2,865)
Other	(330)
Balance, March 31, 2015	$ 5,825
Purchase of Level 3 assets	2,890
Redemption of debentures	(1,107)
Net unrealized loss during the year	(4,872)
Other	(143)
Balance, March 31, 2016	**$ 2,593**

During the year ended March 31, 2016, the Company made an additional investment of $0.5 million in the debenture notes of Canadian First Financial Group Inc. (Canadian First). The Company also made an investment of $2.4 million in Sphere Exchange Traded Investments Ltd (Sphere), a private company engaged in the business of exchange-traded funds.

The Company received $1.1 million from the redemption of debentures by Canadian First.

During the year ended March 31, 2016, the Company recorded an unrealized loss of $4.9 million, of which $4.0 million was related to the impairment of Canadian First and recorded as a loss through principal trading revenue. The remaining $0.9 million was recorded as a reduction of investment banking revenue.

Fair value estimation

i. Level 2 financial instruments

Level 2 financial instruments include the Company's investment in certain corporate and government debt, convertible debt, and over-the-counter equities. The fair values of corporate and government debt, and convertible debt classified as Level 2 are determined using the quoted market prices of identical assets or liabilities in markets that do not have transactions which take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company regularly reviews the transaction frequency and volume of trading in these instruments to determine the accuracy of pricing information.

Level 2 financial instruments also include the Company's equity investment in Euroclear, which has an estimated fair value of $3.1 million as at March 31, 2016 [March 31, 2015 – $4.0 million]. The current fair value is determined using a market-based approach based on recent share buyback transactions.

ii. Level 3 financial instruments

a. Available for sale investments

Available for sale investments include the Company's equity and debenture investment in Canadian First Financial Holdings Limited (Canadian First), which has an estimated fair value of $nil as at March 31, 2016 [March 31, 2015 – $4.7 million] [Note 10]. The fair value for Canadian First is determined by the Company using a market-based approach with information that the Company has determined to be reliable, and represents the best estimate of fair value readily available. During the year ended March 31, 2016, the Company recorded an impairment charge of $4.0 million [March 31, 2015 – $1.0 million] as a result of changes in market indicators.

b. Held for trading

The fair value for level 3 investments classified as held for trading is determined by the Company using a market-based approach with information that the Company has determined to be reliable, and represents the best estimate of fair value readily available. Prices for held for trading investments are determined based on the last trade price or offer price, or, if these prices are considered stale, the Company obtains information based on certain inquiries, recent trades or pending new issues. The fair value of the held for trading investments as at March 31, 2016 was $0.2 million [March 31, 2015 – $1.1 million].

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values. Furthermore, the Company believes its valuation methods are appropriate and consistent with those which would be utilized by a market participant.

RISK MANAGEMENT

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Credit risk arises from cash and cash equivalents, net receivables from clients and brokers and investment dealers, and other accounts receivable. The maximum exposure of the Company to credit risk before taking into account any collateral held or other credit enhancements is the carrying amount of financial assets as disclosed in the consolidated financial statements as at March 31, 2016 and 2015.

The primary source of credit risk to the Company is in connection with trading activity by private clients and private client margin accounts. To minimize its exposure, the Company applies certain credit standards, applies limits to transactions and requires settlement of securities transactions on a cash basis or delivery against payment. Margin transactions are collateralized by securities in the clients' accounts in accordance with limits established by the applicable regulatory authorities and are subject to the Company's credit review and daily monitoring procedures. Management monitors the collectibility of receivables and estimates an allowance for doubtful accounts. The accounts receivable outstanding are expected to be collectible within one year. The Company has recorded an allowance for doubtful accounts of $10.8 million as at March 31, 2016 [March 31, 2015 – $12.0 million] [Note 9].

The Company is also exposed to the risk that counterparties to transactions will not fulfill their obligations. Counterparties primarily include investment dealers, clearing agencies, banks and other financial institutions. The Company does not rely entirely on ratings assigned by credit rating agencies in evaluating counterparty risk. The Company mitigates credit risk by performing its own due diligence assessments on the counterparties, obtaining and analyzing information regarding the structure of the financial instruments, and keeping current with new innovations in the market. The Company also manages this risk by conducting regular credit reviews to assess creditworthiness, reviewing security and loan concentrations, holding and marking to market collateral on certain transactions and conducting business through clearing organizations with performance guarantees.

As at March 31, 2016 and 2015, the Company's most significant counterparty concentrations were with financial institutions and institutional clients. Management believes that they are in the normal course of business and does not anticipate loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they become due, as well as ensuring adequate funds exist to support business strategies and operational growth. The Company's business requires capital for operating and regulatory purposes. The current assets reflected on the statements of financial position are highly liquid. The majority of the positions held as securities owned are readily marketable and all are recorded at their fair value. Client receivables are generally collateralized by readily marketable securities and are reviewed daily for impairment in value and collectibility. Receivables and payables from brokers and dealers represent the following: current open transactions that generally settle within the normal three-day settlement cycle; collateralized securities borrowed and/or loaned in transactions that can be closed within a few days on demand; and balances on behalf of introducing brokers representing net balances in connection with their client accounts. Additional information regarding the Company's capital structure and capital management objectives is discussed in Note 21.

The following table presents the contractual terms to maturity of the financial liabilities owed by the Company as at March 31, 2016:

Financial liability	Carrying amount		Contractual term to maturity
	March 31, 2016	**March 31, 2015**	
Bank indebtedness	**$ 14,910**	$ 20,264	Due on demand
Accounts payable and accrued liabilities	**2,185,047**	2,527,636	Due within one year
Securities sold short	**427,435**	654,639	Due within one year
Subordinated debt	**15,000**	15,000	Due on demand[(1)]

(1) Subject to Investment Industry Regulatory Organization of Canada's approval.

The fair values for cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values and will be paid within 12 months.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Company separates market risk into three categories: fair value risk, interest rate risk and foreign exchange risk.

Fair value risk

When participating in underwriting activities, the Company may incur losses if it is unable to resell the securities it is committed to purchase or if it is forced to liquidate its commitment at less than the agreed upon purchase price. The Company is also exposed to fair value risk as a result of its principal trading activities in equity securities, fixed income securities, and derivative financial instruments. Securities at fair value are valued based on quoted market prices where available and, as such, changes in fair value affect earnings as they occur. Fair value risk also arises from the possibility that changes in market prices will affect the value of the securities the Company holds as collateral for client margin accounts. The Company mitigates its fair value risk exposure through controls to limit concentration levels and capital usage within its inventory trading accounts, as well as through monitoring procedures of the margin accounts.

The following table summarizes the effect on earnings as a result of a fair value change in financial instruments as at March 31, 2016. This analysis assumes all other variables remain constant. The methodology used to calculate the fair value sensitivity is consistent with the prior year.

			March 31, 2016			March 31, 2015
Financial instrument	Carrying value Asset (Liability)	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income	Carrying value Asset (Liability)	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income
Equities and convertible debentures owned	$ 161,967	$ 6,681	$ (6,681)	$ 209,577	$ 7,229	$ (7,229)
Equities and convertible debentures sold short	(86,171)	(3,555)	3,555	(98,847)	(3,409)	3,409

The following table summarizes the effect on OCI as a result of a fair value change in the financial instruments classified as available for sale. This analysis assumes all other variables remain constant and there is no permanent impairment. The methodology used to calculate the fair value sensitivity is consistent with the prior year.

			March 31, 2016			March 31, 2015
Financial instrument	Carrying value	Effect of a 10% increase in fair value on OCI	Effect of a 10% decrease in fair value on OCI	Carrying value	Effect of a 10% increase in fair value on OCI	Effect of a 10% decrease in fair value on OCI
Investments	$ 5,578	$ 558	$ (558)	$ 8,693	$ 545	$ (545)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Company. The Company incurs interest rate risk on its cash and cash equivalent balances, bank indebtedness, fixed income portion of securities owned and securities sold short, net clients' balances, RRSP cash balances held in trust and net brokers' and investment dealers' balances, as well as its subordinated debt. The Company attempts to minimize and monitor its exposure to interest rate risk through quantitative analysis of its net positions of fixed income securities, clients' balances, securities lending and borrowing activities, and short term borrowings. The Company also trades in futures in an attempt to mitigate interest rate risk. Futures are included in marketable securities owned, net of marketable securities sold short, for the purpose of calculating interest rate sensitivity.

All cash and cash equivalents mature within three months. Net clients' receivable (payable) balances charge (incur) interest based on floating interest rates. Subordinated debt bears interest at a rate of prime plus 4.0%, payable monthly. The bank indebtedness bears interest at 2.25%.

The following table provides the effect on net income for the years ended March 31, 2016 and 2015 if interest rates had increased or decreased by 100 basis points applied to balances as of March 31, 2016 and 2015. Fluctuations in interest rates do not have an effect on OCI. This sensitivity analysis assumes all other variables remain constant. The methodology used to calculate the interest rate sensitivity is consistent with the prior year.

			March 31, 2016			March 31, 2015
	Carrying value Asset (Liability)	Net income effect of a 100 bps increase in interest rates	Net income effect of a 100 bps decrease in interest rates[1]	Carrying value Asset (Liability)	Net income effect of a 100 bps increase in interest rates	Net income effect of a 100 bps decrease in interest rates[1]
Cash and cash equivalents, net of bank indebtedness	$ 413,419	$ 3,101	$ (3,101)	$ 302,060	$ 1,894	$ (1,907)
Marketable securities owned, net of marketable securities sold short	137,311	(2,142)	2,337	193,489	(276)	264
Clients' payable, net	(627,389)	(4,705)	(2,367)	(529,407)	(3,462)	(2,138)
RRSP cash balances held in trust	298,839	2,241	(2,241)	276,159	1,732	(1,732)
Brokers' and investment dealers' balance, net	316,229	(20)	1	331,468	(37)	2
Subordinated debt	15,000	(113)	113	15,000	(95)	94

(1) *Subject to a floor of zero*

Foreign exchange risk

Foreign exchange risk arises from the possibility that changes in foreign currency exchange rates will result in losses. The Company's primary foreign exchange risk results from its investment in its US, Australia, and UK and Europe subsidiaries. These subsidiaries are translated using the foreign exchange rate at the reporting date. Any fluctuation in the Canadian dollar against the US dollar, the pound sterling, or the Australian dollar will result in a change in the unrealized gains (losses) on translation of foreign operations recognized in accumulated other comprehensive income (loss).

All of the subsidiaries may also hold financial instruments in currencies other than their functional currency; therefore, any fluctuations in foreign exchange rates will impact foreign exchange gains or losses in the statement of operations.

The following table summarizes the estimated effects on net income (loss) and OCI as a result of a 5% change in the value of the foreign currencies where there is significant exposure. The analysis assumes all other variables remain constant. The methodology used to calculate the foreign exchange rate sensitivity is consistent with the prior year.

As at March 31, 2016:

Currency	Effect of a 5% appreciation in foreign exchange rate on net income	Effect of a 5% depreciation in foreign exchange rate on net income	Effect of a 5% appreciation in foreign exchange rate on OCI	Effect of a 5% depreciation in foreign exchange rate on OCI
US dollar	$ (319)	$ 319	$ 7,388	$ (7,388)
Pound sterling	(618)	618	42,023	(42,023)
Australian dollar	nil	nil	1,190	(1,190)

As at March 31, 2015:

Currency	Effect of a 5% appreciation in foreign exchange rate on net income	Effect of a 5% depreciation in foreign exchange rate on net income	Effect of a 5% appreciation in foreign exchange rate on OCI	Effect of a 5% depreciation in foreign exchange rate on OCI
US dollar	$ (973)	$ 973	$ 8,304	$ (8,304)
Pound sterling	(1,780)	1,780	50,107	(50,107)
Australian dollar	nil	nil	2,489	(2,489)

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indices or currency exchange rates. All derivative financial instruments are expected to be settled within six months subsequent to fiscal year end.

Foreign exchange forward contracts

The Company uses derivative financial instruments to manage foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

Forward contracts outstanding at March 31, 2016:

	Notional amount (millions)	Average price	Maturity	Fair value
To sell US dollars	USD $ 2.6	$1.29 (CAD/USD)	April 1, 2016	$ (3)
To buy US dollars	USD $ 1.9	$1.29 (CAD/USD)	April 1, 2016	$ 3

Forward contracts outstanding at March 31, 2015:

	Notional amount (millions)	Average price	Maturity	Fair value
To sell US dollars	USD $ 7.5	$1.27 (CAD/USD)	April 6, 2015	$ 11
To buy US dollars	USD $ 12.0	$1.27 (CAD/USD)	April 6, 2015	$ (20)
To buy pounds sterling (GBP)	GBP £ 2.5	$1.88 (CAD/GBP)	April 30, 2015	$ (6)
To buy euro (EUR)	EUR € 1.1	$1.38 (CAD/EUR)	July 31, 2015	$ (24)

The Company's Canaccord Genuity Wealth Management segment in the UK and Europe trades foreign exchange forward contracts on behalf of its clients, and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default. The principal currencies of the forward contracts are: the UK pound sterling, the US dollar, or the Euro. The weighted average term to maturity is 69 days as at March 31, 2016 (March 31, 2015 – 103 days). The table below shows the fair value of the forward contract assets and liabilities, and the notional value of these forward contracts as at March 31, 2016. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

						March 31, 2016						March 31, 2015
		Assets		**Liabilities**		**Notional amount**		Assets		Liabilities		Notional amount
Foreign exchange forward contracts	$	**5,682**	$	**5,441**	$	**294,162**	$	7,858	$	(7,635)	$	326,058

FUTURES

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At March 31, 2016, the notional amount of the bond futures contracts outstanding was long $10.9 million [March 31, 2015 – $1.6 million].

The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At March 31, 2016, the notional amount of US Treasury futures contracts outstanding held in a short position was $12.3 million (US$9.5 million) [March 31, 2015 – $nil].

The fair value of all of the above futures contracts is nominal due to their short term to maturity and are included in accounts receivable and accounts payable and accrued liabilites. Realized and unrealized gains and losses related to these contracts are recognized in the statement of operations during the reporting period.

SECURITIES LENDING AND BORROWING

The Company employs securities lending and borrowing primarily to facilitate the securities settlement process. These arrangements are typically short term in nature, with interest being received when cash is delivered and interest being paid when cash is received. These transactions are fully collateralized and are subject to daily margin calls for any deficiency between the market value of the security given and the amount of collateral received. These transactions are collateralized by either cash or securities, including government treasury bills and government bonds, and are reflected within accounts receivable and accounts payable. Interest earned on cash collateral is based on a floating rate. At March 31, 2016, the floating rates ranged from 0.00% to 0.25% [March 31, 2015 – 0.00% to 0.42%].

		Cash				**Securities**		
		Loaned or delivered as collateral		**Borrowed or received as collateral**		**Loaned or delivered as collateral**		**Borrowed or received as collateral**
March 31, 2016	$	**118,897**	$	**26,586**	$	**27,347**	$	**159,616**
March 31, 2015		155,031		43,393		42,734		172,615

BANK INDEBTEDNESS

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by unpaid client securities and/or securities owned by the Company. As at March 31, 2016 the Company had $14.9 million of bank indebtedness balance outstanding [March 31, 2015 – $20.3 million].

OTHER CREDIT FACILITIES

Subsidiaries of the Company also have other credit facilities with banks in Canada and the UK for an aggregate amount of $697.3 million [March 31, 2015 – $770.0 million] . These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of March 31, 2016 and 2015, there were no balances outstanding under these other credit facilities.

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totalling $2.6 million (US$2.0 million) [March 31, 2015 – $1.1 million (US$0.9 million)] as rent guarantees for its leased premises in New York. As of March 31, 2016 and 2015, there were no outstanding balances under these standby letters of credit.

NOTE 08 Interest in Other Entities

The Company has a 58% controlling interest for accounting purposes in Canaccord Financial Group (Australia) Pty Ltd. and Canaccord Genuity (Australia) Limited as of March 31, 2016 [March 31, 2015 – 60%]. Together, these entities operate as Canaccord Genuity Australia and the operation's principal place of business is in Australia. As discussed in Note 21, Canaccord Genuity (Australia) Limited is regulated by the Australian Securities and Investments Commission.

During the year ended March 31, 2015, the Company purchased $4.6 million of non-controlling interests, which increased its ownership interest from 50% as of March 31, 2014 to 60% as of March 31, 2015. As a result of the purchase, the Company recorded a reduction in its contributed surplus of $3.4 million. During the year ended March 31, 2016, the Company disposed of $0.6 million of non-controlling interests, resulting in an increase to its contributed surplus of $1.5 million. The Company's ownership percentage decreased to 58% as a result of the disposal.

Canaccord Genuity Australia reported total net loss of $22.6 million in fiscal 2016 [2015: net income of $4.6 million]. As at March 31, 2016, accumulated non-controlling interest was $8.7 million [March 31, 2015 – $10.3 million]. Summarized financial information including goodwill on acquisition and consolidation adjustments but before inter-company eliminations is presented.

Summarized statement of profit or loss for the years ended March 31, 2016 and 2015:

	Canaccord Genuity Australia	
For the years ended	**March 31, 2016**	March 31, 2015
Revenue	**$ 31,229**	$ 41,608
Expenses	**(32,296)**	34,640
Impairment of goodwill	**(22,342)**	—
Net (loss) income before taxes	**(23,409)**	6,968
Income tax (recovery) expense	**(825)**	2,396
Net (loss) income	**(22,584)**	4,572
Attributable to:		
CGGI shareholders	**(22,488)**	2,706
Non-controlling interests	**(96)**	1,866
Total comprehensive (loss) income	**(21,401)**	6,813
Attributable to:		
CGGI shareholders	**(21,777)**	3,933
Non-controlling interests	**376**	2,880
Dividends paid to non-controlling interests	**2,952**	1,723

Summarized statement of financial position as at March 31, 2016 and 2015:

	Canaccord Genuity Australia	
	March 31, 2016	March 31, 2015
Current assets	**$ 26,241**	$ 34,280
Non-current assets	**4,202**	28,263
Current liabilities	**7,470**	11,440
Non-current liabilities	**—**	—

Summarized cash flow information for the years ended March 31, 2016 and 2015:

	Canaccord Genuity Australia	
	March 31, 2016	March 31, 2015
Cash provided by operating activities	$ 715	$ 9,768
Cash used by financing activities	(5,667)	(3,545)
Cash used by investing activities	(370)	(8,108)
Foreign exchange impact on cash balance	(480)	(1,204)
Net decrease in cash and cash equivalents	$ (5,802)	$ (3,089)

NOTE 09 Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	March 31, 2016	March 31, 2015
Brokers and investment dealers	$ 1,303,222	$ 1,503,666
Clients	365,272	601,486
RRSP cash balances held in trust	298,839	276,159
Other	73,817	110,177
	$ 2,041,150	$ 2,491,488

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2016	March 31, 2015
Brokers and investment dealers	$ 986,993	$ 1,172,198
Clients	992,661	1,130,893
Other	205,393	224,545
	$ 2,185,047	$ 2,527,636

Amounts due from and to brokers and investment dealers include balances from resale and repurchase agreements, securities loaned and borrowed, as well as brokers’ and dealers’ counterparty balances.

Client security purchases are entered into on either a cash or a margin basis. In the case of a margin account, the Company extends a loan to a client for the purchase of securities, using securities purchased and/or other securities in the client’s account as collateral. Amounts loaned to any client are limited by the margin regulations of the Investment Industry Regulatory Organization of Canada (IIROC) and other regulatory authorities and are subject to the Company’s credit review and daily monitoring procedures.

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the clients’ accounts. Interest on margin loans and on amounts due to clients is based on a floating rate [March 31, 2016 – 5.70% to 6.50% and 0.00% to 0.05%, respectively; March 31, 2015 – 5.85% to 6.25% and 0.00% to 0.05%, respectively].

As at March 31, 2016, the allowance for doubtful accounts was $10.8 million [March 31, 2015 – $12.0 million]. See below for the movements in the allowance for doubtful accounts:

Balance, March 31, 2014	$	13,156
Charge for the year		7,510
Recoveries		(8,818)
Write-offs		288
Foreign exchange		(151)
Balance, March 31, 2015	$	11,985
Charge for the year		4,808
Recoveries		(2,395)
Write-offs		(3,681)
Foreign exchange		46
Balance, March 31, 2016	**$**	**10,763**

NOTE 10 Investments

	March 31, 2016	March 31, 2015
Available for sale	**$ 5,578**	$ 8,693

The Company holds an investment in Euroclear, one of the principal clearing houses for securities traded in the Euromarket.

During the year ended March 31, 2016, the Company made an additional investment of $0.5 million in debenture notes of Canadian First Financial Group Inc. (Canadian First). The Company also made an investment of $2.4 million in Sphere Exchange Traded Investments Ltd (Sphere), a private company engaged in the business of exchange-traded funds.

As a result of changes in market indicators, the Company recorded an impairment charge of $4.0 million related to its investment in Canadian First during the year ended March 31, 2016.

These investments are carried at fair value, as described in Note 7.

NOTE 11 Equipment and Leasehold Improvements

	Cost	Accumulated amortization	Net book value
March 31, 2016			
Computer equipment	**$ 10,825**	**$ 3,603**	**$ 7,222**
Furniture and equipment	**21,446**	**16,555**	**4,891**
Leasehold improvements	**82,734**	**57,798**	**24,936**
	115,005	**77,956**	**37,049**
March 31, 2015			
Computer equipment	10,320	3,694	6,626
Furniture and equipment	21,080	15,499	5,581
Leasehold improvements	87,883	56,717	31,166
	119,283	75,910	43,373

	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost				
Balance, March 31, 2014	$ 10,628	$ 21,494	$ 78,833	$ 110,955
Additions	2,913	660	1,659	5,232
Disposals	(2,256)	(1,464)	(3,155)	(6,875)
Foreign exchange	(965)	390	8,516	7,941
Other	—	—	2,030	2,030
Balance, March 31, 2015	$ 10,320	$ 21,080	$ 87,883	$ 119,283
Additions	**3,277**	**1,351**	**5,937**	**10,565**
Disposals	**(2,973)**	**(72)**	**(1,465)**	**(4,510)**
Impairment	—	**(691)**	**(10,184)**	**(10,875)**
Foreign exchange	**201**	**(222)**	**563**	**542**
Balance, March 31, 2016	**$ 10,825**	**$ 21,446**	**$ 82,734**	**$ 115,005**

	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Accumulated amortization and impairment				
Balance, March 31, 2014	$ 3,941	$ 14,913	$ 41,126	$ 59,980
Amortization	3,104	1,728	9,181	14,013
Disposals	(2,243)	(1,370)	(2,840)	(6,453)
Foreign exchange	(1,108)	228	7,491	6,611
Other	—	—	1,759	1,759
Balance, March 31, 2015	$ 3,694	$ 15,499	$ 56,717	$ 75,910
Amortization	**2,807**	**2,201**	**5,758**	**10,766**
Disposals	**(2,957)**	**(64)**	**(624)**	**(3,645)**
Impairment	—	**(268)**	**(4,607)**	**(4,875)**
Foreign exchange	**59**	**(813)**	**554**	**(200)**
Balance, March 31, 2016	**$ 3,603**	**$ 16,555**	**$ 57,798**	**$ 77,956**

The carrying value of any temporarily idle property, plant and equipment is not considered material as at March 31, 2016 and March 31, 2015.

NOTE 12 Goodwill and Other Intangible Assets

		Identifiable intangible assets						
	Goodwill	Brand names	Customer relationships	Technology	Software under Development	Non-competition	Trading licences	Total
Gross amount								
Balance, March 31, 2014	$ 521,157	$ 46,795	$ 96,612	$ 6,899	$ 7,002	$ 14,358	$ 195	$ 171,861
Additions	—	—	—	—	16,884	—	—	16,884
Transfer between categories	—	—	—	19,395	(19,395)	—	—	—
Other	—	(1,865)	—	—	—	—	—	(1,865)
Foreign exchange	5,207	—	966	301	—	(413)	(11)	843
Balance, March 31, 2015	526,364	44,930	97,578	26,595	4,491	13,945	184	187,723
Additions	—	—	—	1,444	2,726	—	—	4,170
Transfer between categories	—	—	—	2,691	(2,691)	—	—	—
Other	—	—	—	—	—	—	—	—
Foreign exchange		—	(152)	(218)	(20)	208	12	(170)
Balance, March 31, 2016	**526,364**	**44,930**	**97,426**	**30,512**	**4,506**	**14,153**	**196**	**191,723**
Accumulated amortization and impairment								
Balance, March 31, 2014	(6,250)	(1,865)	(23,847)	(4,947)	—	(9,552)	—	(40,211)
Amortization	—	—	(9,427)	(2,259)	—	(3,038)	—	(14,724)
Impairment	(14,535)	—		—	—	—	—	—
Other	—	1,865	—	—	—	—	—	1,865
Foreign exchange	—	—	77	(146)	—	293	—	224
Balance, March 31, 2015	(20,785)	—	(33,197)	(7,352)	—	(12,297)	—	(52,846)
Amortization	—	—	(9,799)	(3,470)	—	(1,645)	—	(14,914)
Impairment	(301,847)	—	(1,564)	—	(2,350)	—	(196)	(4,110)
Foreign exchange	—	—	294	268	—	(211)	—	351
Balance, March 31, 2016	**(322,632)**	**—**	**(44,266)**	**(10,554)**	**(2,350)**	**(14,153)**	**(196)**	**(71,519)**
Net book value								
March 31, 2015	505,579	44,930	64,381	19,243	4,491	1,648	184	134,877
March 31, 2016	**203,732**	**44,930**	**53,160**	**19,958**	**2,156**	**—**	**—**	**120,204**

Due to the combined effect of weak equity market conditions globally and in the principal operating regions for each of the Canaccord Genuity CGUs, these CGUs experienced declines in business activity, revenue and profitability. With these adverse changes in the business environment, continued weakness in commodity prices and a challenging outlook through calendar 2016 as negative economic conditions persist, it was determined that the carrying value in each of the Canaccord Genuity CGUs exceeded their fair values. As a result, the Company recorded impairment charges in respect of the goodwill allocated to the following CGUs in the Canaccord Genuity segment: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations – Australia – $22.1 million; and (v) Other Foreign Locations – Singapore – $24.3 million.

In addition, the Company recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations – Singapore and Other Foreign Locations – Australia, respectively.

During the year ended March 31, 2016, the Company also recorded an impairment charge of $6.0 million related to the impairment of equipment and leasehold improvements in our Canaccord Genuity US operations given the excess of carrying value over recoverable amount in that CGU.

The Company recorded an impairment charge of $2.4 million related to software under development during the year ended March 31, 2016 due to a decision to choose an alternative solution made in the third quarter of fiscal 2016.

During the year ended March 31, 2015, as a result of operating losses in China and reduced revenue forecasts arising from changes in economic and market conditions in Other Foreign Locations – China and Singapore, the Company determined that the carrying amounts of these CGUs exceeded our estimates of their fair values and that there had been impairment in the goodwill in respect of these CGUs. As a result, the Company recorded impairment charges in respect of the goodwill allocated to these CGUs in the amounts of $4.5 million and $10.0 million respectively, during fiscal 2015.

During the year ended March 31, 2015, there were $19.4 million of intangible assets transferred from software under development to technology. These intangible asset relate to a back-office software developed for use in the UK and Europe wealth management operations. The software became available for use during the year ended March 31, 2015 and is being amortized over the estimated useful life of 10 years. The additions to software under development intangible assets prior to being put into use during the year ended March 31, 2015 relate to any costs directly attributable to the development of the software, including employment, consulting and other professional fees.

IMPAIRMENT TESTING OF GOODWILL AND OTHER ASSETS

The carrying amounts of goodwill and indefinite life intangible assets acquired through business combinations is as follows:

	Intangible assets with indefinite lives		Goodwill		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Canaccord Genuity CGUs						
Canada	$ **44,930**	$ 44,930	$ **92,074**	$ 242,074	$ **137,004**	$ 287,004
UK and Europe	**—**	—	**—**	97,676	**—**	97,676
US	**—**	—	**—**	9,103	**—**	9,103
Other Foreign Locations (China)	**—**	—		—		—
Other Foreign Locations (Australia)	**—**	188	**—**	21,265	**—**	21,453
Other Foreign Locations (Singapore)	**—**	—	**—**	22,971	**—**	22,971
Canaccord Genuity Wealth Management CGUs						
UK and Europe (Channel Islands)	**—**	—	**100,585**	101,335	**100,585**	101,335
UK and Europe (Eden Financial)		—	**11,073**	11,155	**11,073**	11,155
	$ **44,930**	$ 45,118	$ **203,732**	$ 505,579	$ **248,662**	$ 550,697

The Genuity brand name is considered to have an indefinite life as the Company has no plans to cease its use in the future.

Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and when circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment. Consequently, interim goodwill and other assets impairment testing was carried out for all applicable CGUs at June 30, September 30 and December 31, 2015 and an impairment charge of $321.0 million was recognized during the third quarter of fiscal 2016.

In accordance with IAS 36, "Impairment of Assets" (IAS 36), the recoverable amounts of the CGUs' net assets have been determined using fair value less costs to sell (FVLCS) calculations, which are based on future cash flow assumptions which are considered to be appropriate for the purposes of such calculations. In accordance with IFRS 13 fair value represents an estimate of the price at which an orderly transaction to see an asset or transfer a liability would take place between market participants as at the end of the reporting period under market conditions as at that date (an exit price as at the measurement date). There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGUs' net assets given that these estimates involve making key assumptions about the future. In making such assumptions, management has used its best estimate of future economic and market conditions within the context of the Company's capital markets and wealth management activities. These valuations are categorized as Level 3 in the fair value hierarchy.

The FVLCS calculations are based on assumptions, as described above, made in connection with future cash flows, relief of royalties with respect to the brand name indefinite life intangible asset, terminal growth rates and discount rates. In order to estimate the FVLCS for each CGU, cash flows are forecast over a five-year period, a terminal growth rate is applied and then such cash flows are discounted to their present value. The discount rate is based on the specific circumstances of each CGU and is derived from the estimated weighted average cost of capital of the Company. The CGUs which continued to record goodwill in their carrying value as of March 31, 2016 were Canaccord Genuity, Canada and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and UK. The discount rate utilized for each of these CGUs for the purposes of these calculations was 12.5%. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilize five year compound annual revenue growth rates ranging from 4.8% to 5.0% [March 31, 2015 – 5.0%] as well as estimates in respect of operating margins. The compound annual revenue growth rates utilized were: (a) Canaccord Genuity (i) Canada – 5.0% and (b) Canaccord Genuity Wealth Management, UK & Europe (Channel Islands) and UK – 4.8% to 5.0%. The terminal growth rate used for each of Canaccord Genuity, Canada and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and UK was 2.5% [March 31, 2015 – 2.5%].

Sensitivity testing was conducted as part of the annual impairment test of goodwill and indefinite life intangible assets for the Canaccord Genuity – Canada CGU. The sensitivity testing includes assessing the impact that reasonably possible declines in revenue estimates for the 12-month period ending on March 31, 2017 and declines in growth rates after that period and increases in the discount rates would have on the recoverable amounts of the CGUs, with other assumptions being held constant. An increase of the discount rate of 3.3 percentage points, a decrease in the estimated revenue for the year ending March 31, 2017 of $20.0 million or a decrease in the five year compound annual growth of 7.8 percentage points may result in the estimate of the recoverable amount declining below the carrying value with the result that an impairment charge may be required. Any such impairment charge would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors.

NOTE 13 Income Taxes

The major components of income tax (recovery) expense are:

	March 31, 2016	March 31, 2015
Consolidated statements of operations		
Current income tax (recovery) expense		
Current income tax (recovery) expense	$ (2,584)	$ 8,510
Adjustments in respect of prior years	(606)	(1,249)
	(3,190)	7,261
Deferred income tax recovery		
Origination and reversal of temporary differences	(2,127)	(1,589)
Impact of change in tax rates	(87)	(11)
	(2,214)	(1,600)
Income tax (recovery) expense reported in the statements of operations	$ (5,404)	$ 5,661

The Company's income tax (recovery) expense differs from the amount that would be computed by applying the combined federal and provincial income tax rates as a result of the following:

	March 31, 2016	March 31, 2015
Loss before income taxes	$ (363,971)	$ (5,657)
Income tax recovery at the statutory rate of 26.0% (2015: 26.0%)	(94,632)	(1,471)
Difference in tax rates in foreign jurisdictions	(3,663)	(1,685)
Non-deductible items affecting the determination of taxable income	3,241	2,533
Impairment of goodwill and other assets	81,913	2,600
Change in accounting and tax base estimate	923	760
Tax rate differential	(2,033)	(1,059)
Tax losses and other temporary differences not recognized	3,827	3,430
Share based payments	5,020	553
Income tax (recovery) expense reported in the statements of operations	$ (5,404)	$ 5,661

The following were the deferred tax assets and liabilities recognized by the Company and movements thereon during the year:

	Consolidated statements of financial position		Consolidated statements of operations	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unrealized gain on securities owned	$ (1,106)	$ (1,585)	$ (479)	$ (370)
Legal provisions	356	602	246	1,073
Unpaid remunerations	2,258	2,179	(80)	109
Unamortized capital cost of equipment and leasehold improvements over their net book value	2,687	2,786	23	(598)
Unamortized common share purchase loans	1,252	3,448	2,197	344
Loss carryforwards	8,636	7,612	(2,573)	(3,049)
Common and preferred shares issuance costs	138	741	603	512
Long-term incentive plan	13,858	11,898	(1,960)	3,520
Other intangible assets	(19,770)	(21,762)	(1,987)	(2,706)
Other	2,462	2,172	1,796	(435)
	$ 10,771	$ 8,091	$ (2,214)	$ (1,600)

Deferred tax assets and liabilities as reflected in the consolidated statements of financial position are as follows:

	March 31, 2016	March 31, 2015
Deferred tax assets	$ 11,221	$ 10,148
Deferred tax liabilities	(450)	(2,057)
	$ 10,771	$ 8,091

The movement for the year in the net deferred tax position was as follows:

	March 31, 2016	March 31, 2015
Opening balance as of April 1	$ 8,091	$ 6,707
Tax recovery recognized in the consolidated statements of operations	2,214	1,600
Foreign exchange on deferred tax position	134	(231)
Other	332	15
Ending balance as of March 31	$ 10,771	$ 8,091

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Tax loss carryforwards of $20.6 million [2015 – $19.3 million] in the UK and Europe have been recognized as a deferred tax asset. The losses in the UK and Europe can be carried forward indefinitely. Tax loss carryforwards of $14.2 million [2015 – $11.2 million] in Canada have been recognized as a deferred tax asset and can be carried forward for 20 years.

At the balance sheet date, the Company has tax loss carryforwards of approximately $42.2 million [2015 – $30.6 million] for which a deferred tax asset has not been recognized. These losses relate to subsidiaries outside of Canada that have a history of losses and may also be subject to legislative limitations on use and may not be used to offset taxable income elsewhere in the consolidated group of companies. The subsidiaries have no taxable temporary differences or any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets, as the likelihood of future economic benefit is not sufficiently assured. These losses begin expiring in 2029.

Other temporary differences not recognized as deferred tax assets in relation to subsidiaries outside of Canada amount to $26.3 million at March 31, 2016 [2015 – $26.7 million]. Since the subsidiaries outside of Canada have a history of losses and the deductible temporary differences may not be used to offset taxable income elsewhere in the consolidated group of companies, no asset has been recognized as the likelihood of future economic benefit is not sufficiently assured.

NOTE 14 Subordinated Debt

	March 31, 2016	March 31, 2015
Loan payable, interest payable monthly at prime + 4% per annum, due on demand	$ 15,000	$ 15,000

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of IIROC. As at March 31, 2016 and 2015, the interest rates for the subordinated debt were 6.7% and 6.85%, respectively. The carrying value of subordinated debt approximates its fair value due to the short term nature of this liability.

NOTE 15 Preferred Shares

	March 31, 2016		March 31, 2015	
	Amount	Number of shares	Amount	Number of shares
Series A Preferred Shares issued and outstanding	$ 110,818	4,540,000	$ 110,818	4,540,000
Series C Preferred Shares issued and outstanding	97,450	4,000,000	97,450	4,000,000
Series C Preferred Shares held in treasury	(2,627)	(106,794)	(2,627)	(106,794)
	94,823	3,893,206	94,823	3,893,206
	$ 205,641	8,433,206	$ 205,641	8,433,206

[i] SERIES A PREFERRED SHARES

The Company issued 4,540,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (Series A Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $113.5 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $110.8 million.

Quarterly cumulative cash dividends, if declared, will be paid at an annual rate of 5.5% for the initial five-year period ending on September 30, 2016. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 3.21%.

Holders of Series A Preferred Shares have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Shares), subject to certain conditions, on September 30, 2016 and on September 30 every five years thereafter. Holders of the Series B Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company has the option to redeem the Series A Preferred Shares on September 30, 2016 and on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. The Series B Preferred Shares are redeemable at the Company's option on September 30, 2021 and on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

[ii] SERIES C PREFERRED SHARES

The Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (Series C Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $100.0 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $97.5 million.

Quarterly cumulative cash dividends, if declared, will be paid at an annual rate of 5.5% for the initial five-year period ending on June 30, 2017. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 4.03%.

Holders of Series C Preferred Shares have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Shares), subject to certain conditions, on June 30, 2017 and on June 30 every five years thereafter. Holders of the Series D Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

The Company has the option to redeem the Series C Preferred Shares on June 30, 2017 and on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. The Series D Preferred Shares are redeemable at the Company's option on June 30, 2022 and on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

NOTE 16 Common Shares

	March 31, 2016		March 31, 2015	
	Amount	**Number of shares**	Amount	Number of shares
Issued and fully paid	**$ 729,502**	**103,812,814**	$ 722,509	102,607,705
Unvested share purchase loans	**(15,099)**	**(2,557,568)**	(25,852)	(3,424,549)
Held for the LTIP	**(96,647)**	**(12,171,624)**	(75,799)	(7,388,489)
	$ 617,756	**89,083,622**	$ 620,858	91,794,667

[i] AUTHORIZED

Unlimited common shares without par value

[ii] ISSUED AND FULLY PAID

	Number of shares		Amount
Balance, March 31, 2014	101,471,456	$	713,140
Shares issued in connection with share-based payment plans [note 18]	2,565,653		18,901
Shares issued in connection with replacement plans [note 18]	270,528		2,420
Shares cancelled	(1,699,932)		(11,952)
Balance, March 31, 2015	102,607,705		722,509
Shares issued in connection with share-based payment plans [note 18]	1,806,115		10,023
Shares issued in connection with replacement plans [note 18]	77,830		1,749
Shares cancelled	(678,836)		(4,779)
Balance, March 31, 2016	**103,812,814**	**$**	**729,502**

On August 5, 2015, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,163,737 of its common shares during the period from August 13, 2015 to August 12, 2016 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. A total of 624,350 shares have been purchased and cancelled through the NCIB between April 1, 2015 and March 31, 2016.

[iii] FORGIVABLE COMMON SHARE PURCHASE LOANS

The Company provides forgivable common share purchase loans to certain employees (other than directors or executive officers) in order to purchase common shares. The Company has provided such loans to executive officers in the past but has now adopted a policy not to make any further such loans to directors or executive officers. The unvested balance of forgivable common share purchase loans is presented as a deduction from share capital. The forgivable common share purchase loans are amortized over the vesting period. The difference between the unvested and unamortized values is included in contributed surplus.

[iv] LOSS PER COMMON SHARE

	For the years ended			
		March 31, 2016		March 31, 2015
Loss per common share				
Loss attributable to CGGI shareholders	**$**	**(358,471)**	$	(13,184)
Preferred shares dividends		**(11,992)**		(11,877)
Loss attributable to common shareholders		**(370,463)**		(25,061)
Weighted average number of common shares (number)		**90,552,860**		91,693,485
Loss per share	**$**	**(4.09)**	$	(0.27)
Diluted loss per common share				
Net loss attributable to common shareholders		**(370,463)**		(25,061)
Weighted average number of common shares (number)		**n/a**		n/a
Dilutive effect in connection with LTIP (number)		**n/a**		n/a
Dilutive effect in connection with other share-based payment plans (number)		**n/a**		n/a
Adjusted weighted average number of common shares (number)		**n/a**		n/a
Loss per common share	**$**	**(4.09)**	$	(0.27)

For the year ended March 31, 2016, the instruments involving potential common shares were excluded from the calculation of diluted loss per share as they were anti-dilutive.

There have been no other transactions involving common shares or potential common shares between the reporting period and the date of authorization of these financial statements which would have a significant impact on loss per common share.

NOTE 17 Dividends

COMMON SHARES DIVIDENDS

The Company declared the following common shares dividends during the year ended March 31, 2016:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 19, 2015	July 2, 2015	$ 0.05	$ 5,163
August 28, 2015	September 10, 2015	$ 0.05	$ 5,165
November 20, 2015	December 10, 2015	$ 0.05	$ 5,163

On June 1, 2016, the Board of Directors considered the Company's dividend policy in the context of the market environment and business activity and agreed a continued suspension of the quarterly dividend on common shares. This suspension will be reviewed quarterly and a determination made on the basis of business conditions and profitability [Note 25].

PREFERRED SHARES DIVIDENDS

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 19, 2015	June 30, 2015	$ 0.34375	$ 0.359375	$ 2,998
September 18, 2015	September 30, 2015	$ 0.34375	$ 0.359375	$ 2,998
December 18, 2015	December 31, 2015	$ 0.34375	$ 0.359375	$ 2,998
March 18, 2016	March 31, 2016	$ 0.34375	$ 0.359375	$ 2,998

On June 1, 2016, the Board approved a cash dividend of $0.34375 per Series A Preferred Share payable on June 30, 2016 to Series A Preferred shareholders of record as at June 17, 2016 [Note 25].

On June 1, 2016, the Board approved a cash dividend of $0.359375 per Series C Preferred Share payable on June 30, 2016 to Series C Preferred shareholders of record as at June 17, 2016 [Note 25].

NOTE 18 Share-Based Payment Plans

[i] LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. For employees in Canada, the United States and the United Kingdom, an employee benefit trust has been established. The Company or certain of its subsidiaries, as the case may be, fund the employee benefit trusts (the Trusts) with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. The Company also has the option to issue common shares from treasury to plan participants following vesting of the RSUs.

There were 8,130,645 RSUs [year ended March 31, 2015 – 5,562,539 RSUs] granted in lieu of cash compensation to employees during the year ended March 31, 2016. The Trusts purchased 7,554,788 common shares [year ended March 31, 2015 – 5,112,934 common shares] for the year ended March 31, 2016.

The vested and forfeited numbers include the LTIP portion of the CSH Inducement Plan [Note 18iv].

The fair value of the RSUs at the measurement date is based on the fair value on grant date and is amortized on a graded basis over the vesting period of generally three years. The weighted average fair value of RSUs granted during the year ended March 31, 2016 was $6.34 [March 31, 2015 – $10.58].

	Number
Awards outstanding, March 31, 2014	10,583,243
Grants	5,562,539
Vested	(4,776,985)
Forfeited	(622,579)
Awards outstanding, March 31, 2015	**10,746,218**
Grants	**8,130,645**
Vested	**(3,951,322)**
Cancellations	**(1,815,790)**
Forfeited	**(1,146,896)**
Awards outstanding, March 31, 2016	**11,962,855**

	Number
Common shares held by the Trusts, March 31, 2014	4,734,446
Acquired	5,112,934
Released on vesting	(2,458,891)
Common shares held by the Trusts, March 31, 2015	**7,388,489**
Acquired	**7,554,788**
Released on vesting	**(2,771,653)**
Common shares held by the Trusts, March 31, 2016	**12,171,624**

[ii] FORGIVABLE COMMON SHARE PURCHASE LOANS

The Company provides loans to certain employees (other than directors or executive officers) for the purpose of partially funding the purchase of shares of the Company and increasing share ownership by the employees. The Company has provided such loans to executive officers in the past but has now adopted a policy not to make any further such loans to directors or executive officers. These loans are equity-settled transactions that are generally forgiven over a three- to five-year period from the initial advance of the loan or at the end of that three- to five-year period [Note 16 [iii]].

[iii] REPLACEMENT PLANS

As a result of the acquisition of CSHP, the following share-based payment plans were introduced to replace the share-based payment plans that existed at CSHP at the acquisition date:

Canaccord Genuity Group Inc. Collins Stewart Hawkpoint Replacement Annual Bonus Equity Deferral (ABED) Plan

On March 21, 2012, the Company introduced the Replacement ABED Plan, which replaced the ABED plans that existed at CSHP as of the acquisition date. Eligible employees who participated in the CSHP ABED plans were granted options to purchase common shares of the Company under the Replacement ABED Plan. The exercise price of these options was $nil. The options, which are now vested, vested between one and three years from the acquisition date of CSHP. In accordance with IFRS 3, *"Business Combinations"* (IFRS 3), a portion of the awards granted was included as part of the purchase consideration for the acquisition of CSHP and a portion was deferred and amortized to incentive compensation expense over the vesting period. The awards were fully amortized as of March 31, 2015.

	Number
Balance, March 31, 2014	99,231
Exercised	(66,338)
Balance, March 31, 2015	32,893
Exercised	(7,256)
Balance, March 31, 2016	**25,637**

The following table summarizes the share options outstanding as at March 31, 2016:

	Options outstanding			Options exercisable	
Range of exercise price	Number of common shares	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$nil	25,637	5.01	$ nil	25,637	$ nil

Canaccord Genuity Group Inc. Collins Stewart Hawkpoint Replacement Long-Term Incentive Plan Award

On March 21, 2012, the Company introduced the Replacement LTIP, which replaced the existing LTIPs at CSHP on the acquisition date. Eligible employees who participated in the CSHP LTIPs were granted options to purchase shares of the Company awards under the Replacement LTIP. The exercise price of these options was $nil. The options, which are now vested, vested annually on a graded basis over a three-year period. In accordance with IFRS 3, a portion of awards granted was included as part of the purchase consideration for the acquisition of CSHP and a portion was deferred and amortized to incentive compensation expense over the vesting period. The awards were fully amortized as of March 31, 2015.

	Number
Awards outstanding, March 31, 2014	496,996
Exercised	(204,190)
Forfeited	(10,832)
Balance, March 31, 2015	281,974
Exercised	(70,574)
Balance, March 31, 2016	**211,400**

The following table summarizes the share options outstanding as at March 31, 2016:

	Options outstanding			Options exercisable	
Range of exercise price	Number of common shares	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$nil	211,400	5.01	$ nil	211,400	$ nil

[iv] CSH INDUCEMENT PLAN

In connection with the acquisition of CSHP, the Company agreed to establish a retention plan for key CSHP staff. During the year ended March 31, 2013, the Company awarded 2,418,861 RSUs, which vest over a five-year period. In accordance with the plan, one-third of the total RSUs (806,302 RSUs) vested on the third anniversary of the date of the grant under the terms of the existing LTIP. The remaining two-thirds of the total RSUs (1,612,559 RSUs) will vest under the terms of the new CSH Inducement Plan, with one-half of the 1,612,559 RSUs vesting on the fourth anniversary and the remaining half on the fifth anniversary.

	LTIP (Number)	**Non-LTIP (Number)**	**Total RSUs awarded (Number)**
Balance, March 31, 2014	725,257	1,450,480	2,175,737
Vested	(666,551)	—	(666,551)
Forfeited	(58,706)	(117,413)	(176,119)
Balance, March 31, 2015	—	1,333,067	1,333,067
Vested	—	(626,446)	(626,446)
Forfeited	—	(55,545)	(55,545)
Balance, March 31, 2016	—	**651,076**	**651,076**

On each vesting date, the RSUs entitle the awardee to receive cash or common shares of the Company. If at the vesting date the share price is less than $8.50 per share, then the Company, at its election, will either (a) pay cash to the employee equal to $8.50 multiplied by the number of RSUs vesting on such date, or (b) pay cash to the employee equal to the difference between $8.50 and the vesting date share price, multiplied by the number of RSUs vesting on that date plus that number of shares equal to the number of RSUs vesting on such date. If the share price is greater than $8.50, then the Company will settle the RSUs in common shares.

The awards under this plan require either full or partial cash settlement if the share price at vesting is less than $8.50 per share. To the extent that it is considered probable that cash settlement will be required, a portion of these awards is treated as cash settled, and recorded on the statements of financial position as a liability. The carrying amount of the liability at March 31, 2016 was $2.1 million [March 31, 2015 – $1.7 million].

The fair value of the RSUs at the grant date was $8.50, for a total plan value of $20.2 million, which is being amortized on a graded basis.

[v] SHARE OPTIONS

The Company has previously granted share options to purchase common shares of the Company to directors and senior management. Share options to independent directors vest over a four-year period and expire seven years after the grant date or 30 days after the participant ceases to be a director. Share options to senior management vest over a five-year period and expire on the earliest of: (a) seven years from the grant date; (b) three years after death or any other event of termination of employment; (c) after any unvested optioned shares held by the optionee are cancelled for any reason (other than early retirement but including resignation without entering into a formal exit agreement and termination for cause); and (d) in the case of early retirement, after a determination that the optionee has competed with the Company or violated any non-competition, non-solicitation or non-disclosure obligations. The exercise price is based on the fair market value of the common shares at grant date.

The following is a summary of the Company's share options as at March 31, 2016 and changes during the period then ended:

	Number of options	Weighted average exercise price
Balance, March 31, 2014	1,959,632	$ 9.23
Exercised	(234,636)	$ 9.47
Expired	(115,642)	$ 9.47
Balance, March 31, 2015	1,609,354	$ 9.25
Exercised	—	—
Expired	(100,000)	7.21
Balance, March 31, 2016	**1,509,354**	**$ 9.38**

The following table summarizes the share options outstanding as at March 31, 2016:

	Options outstanding			Options exercisable	
Range of exercise price	Number of common shares	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$8.39 – $9.47	**1,509,354**	**1.50**	**$ 9.38**	**1,509,354**	**$ 9.38**

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Volatility is based on the historical trend of the share prices of the Company. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options.

[vi] DEFERRED SHARE UNITS

Beginning April 1, 2011, the Company adopted a DSU plan for its independent directors. Independent directors must elect annually as to how they wish their directors' fees to be paid and can specify the allocation of their directors' fees between DSUs and cash. When a director leaves the Board of Directors, outstanding DSUs are paid out in cash, with the amount equal to the number of DSUs granted multiplied by the closing share price as of the end of the fiscal quarter immediately following such terminations. Under the plan, the directors are not entitled to receive any common shares in the Company, and under no circumstances will DSUs confer on any participant any of the rights or privileges of a holder of common shares.

During the year ended March 31, 2016, the Company granted 92,461 DSUs [2015 – 53,307 DSUs]. The carrying amount of the liability relating to DSUs at March 31, 2016 was $1.0 million [2015 – $1.2 million].

[vii] SHARE-BASED COMPENSATION EXPENSE

	For the years ended	
	March 31, 2016	March 31, 2015
Long-term incentive plan	**$ 42,348**	$ 36,496
Forgivable common share purchase loans	**5,552**	15,824
CSH Inducement Plan	**3,148**	4,062
Deferred share units (cash-settled)	**(489)**	(320)
Other	**(19)**	1,483
Accelerated share-based payment expense included as restructuring expense	**1,360**	3,760
Total share-based compensation expense	**$ 51,900**	$ 61,305

Included in long-term incentive plan expense is the accelerated amortization related to awards which were cancelled during the year ended March 31, 2016. The cancellations included the 1.5 million RSUs (value of $8.9 million) granted in conjunction with the appointment of the Chief Executive Officer which were surrendered effective March 31, 2016.

NOTE 19 Related Party Transactions

[i] CONSOLIDATED SUBSIDIARIES

The financial statements include the financial statements of the Company and the Company's principal operating subsidiaries and principal intermediate holding companies listed in the following table:

		% equity interest	
	Country of incorporation	**March 31, 2016**	March 31, 2015
Canaccord Genuity Corp.	Canada	**100%**	100%
Canaccord Genuity SAS	France	**100%**	100%
Canaccord Genuity Wealth (International) Limited	Guernsey	**100%**	100%
Canaccord Genuity Financial Planning Limited	United Kingdom	**100%**	100%
Canaccord Genuity Wealth Limited	United Kingdom	**100%**	100%
Canaccord Genuity Wealth Group Limited	United Kingdom	**100%**	100%
Canaccord Genuity Wealth (International) Holdings Limited	Guernsey	**100%**	100%
Canaccord Genuity Limited	United Kingdom	**100%**	100%
Canaccord Genuity Inc.	United States	**100%**	100%
Canaccord Genuity Wealth Management (USA) Inc.	United States	**100%**	100%
Canaccord Genuity Wealth & Estate Planning Services Ltd.	Canada	**100%**	100%
Canaccord Asset Management Inc.	Canada	**100%**	100%
Canaccord Adams Financial Group Inc.	United States	**100%**	100%
Collins Stewart Inc.	United States	**100%**	100%
Canaccord Adams (Delaware) Inc.	United States	**100%**	100%
Canaccord Adams Financial Group ULC	Canada	**100%**	100%
Canaccord Genuity Securities LLC	United States	**100%**	100%
Stockwave Equities Ltd.	Canada	**100%**	100%
CLD Financial Opportunities Limited	Canada	**100%**	100%
Canaccord Genuity Singapore Pte Ltd.**	Singapore	**100%**	100%
Canaccord Genuity (Hong Kong) Limited	China (Hong Kong SAR)	**100%**	100%
Canaccord Financial Group (Australia) Pty Ltd*	Australia	**50%**	50%
Canaccord Genuity (Australia) Limited*	Australia	**50%**	50%
加通贝祥（北京）投资顾问有限公司 (Canaccord Genuity Asia (Beijing) Limited)	China	**100%**	100%
The Balloch Group Limited	British Virgin Islands	**100%**	100%
Canaccord Genuity Asia (Hong Kong) Limited	China (Hong Kong SAR)	**100%**	100%
Canaccord Genuity (Dubai) Ltd.	United Arab Emirates	**100%**	n/a

* The Company owns 50% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd and Canaccord Genuity (Australia) Limited, but for accounting purposes, as of March 31, 2016 the Company is considered to have a 58% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd [March 31, 2015 – 60%] [Note 8]

** On April 8, 2016, the Company entered into an agreement to sell its shares in Canaccord Genuity Singapore Pte Ltd. This sale is subject to regulatory approval from the Monetary Authority of Singapore and is expected to close in the second quarter of fiscal 2017 [Note 25].

[ii] COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE COMPANY

Disclosed in the table below are the amounts recognized as expenses related to individuals who are key management personnel as at March 31, 2016 and 2015:

	March 31, 2016	March 31, 2015
Short term employee benefits	**$ 4,668**	$ 8,063
Share-based payments	**2,526**	9,412
Total compensation paid to key management personnel	**$ 7,194**	$ 17,475

As part of the total compensation arrangement with regards to his appointment as Chief Executive Officer effective October 1, 2015, the Chief Executive Officer received a grant of 1.5 million RSUs with a value of $8.9 million. He surrendered this award effective March 31, 2016, and the amount of the award is not included in the table above.

[iii] OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Accounts payable and accrued liabilities include the following balances with key management personnel:

	March 31, 2016		March 31, 2015
Accounts receivable	61	$	—
Accounts payable and accrued liabilities	4,035		1,041

[iv] TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

Security trades executed by the Company for officers and directors are transacted in accordance with the terms and conditions applicable to all clients. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company.

NOTE 20 Segmented Information

The Company operates in two industry segments as follows:

Canaccord Genuity – includes investment banking, advisory, research and trading activities on behalf of corporate, institutional and government clients as well as principal trading activities in Canada, the UK and Europe, and the US. Operations located in Other Foreign Locations under Canaccord Genuity (Barbados) Ltd., Canaccord Genuity Asia and the 58% controlling interest [March 31, 2015 – 60%] in Canaccord Genuity Australia are also included in Canaccord Genuity.

Canaccord Genuity Wealth Management – provides brokerage services and investment advice to retail or institutional clients in Canada, the US, and the UK and Europe.

Corporate and Other includes correspondent brokerage services, interest and foreign exchange revenue and expenses not specifically allocable to Canaccord Genuity or Canaccord Genuity Wealth Management.

The Company's industry segments are managed separately because each business offers different services and requires different personnel and marketing strategies. The Company evaluates the performance of each business based on operating results, without regard to non-controlling interests.

The Company does not allocate total assets, liabilities or equipment and leasehold improvements to the segments. Amortization of tangible assets is allocated to the segments based on the square footage occupied. Amortization of identifiable intangible assets is allocated to the Canaccord Genuity segment, as it relates to the acquisitions of Genuity and the controlling interest in Canaccord Genuity Australia. Amortization of identifiable intangible assets acquired through the purchase of CSHP is allocated to Canaccord Genuity and Canaccord Genuity Wealth Management segments in the UK and Europe (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisition of Eden Financial Ltd. is allocated to Canaccord Genuity Wealth Management segments in the UK and Europe (Eden Financial Ltd.). Income taxes are managed on a Company basis and are not allocated to operating segments. All revenue and income (loss) before taxes and intersegment allocations is derived from external customers. The Company also does not allocate cash flows by reportable segments.

	For the years ended							
				March 31, 2016				March 31, 2015
	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total
Revenues, excluding interest revenue	$ 528,999	$ 236,663	$ 5,313	$ 770,975	$ 606,497	$ 240,178	$ 11,876	$ 858,551
Interest revenue	3,271	9,904	3,655	16,830	6,608	10,712	4,892	22,212
Expenses, excluding undernoted	501,625	196,961	53,111	751,697	527,380	202,480	50,912	780,772
Amortization	13,915	10,264	1,160	25,339	15,417	11,091	1,920	28,428
Development costs	7,869	6,911	11,349	26,129	9,467	8,217	6,764	24,448
Interest expense	8,542	241	1,439	10,222	11,467	539	1,418	13,424
Restructuring costs	11,305	165	5,882	17,352	20,997	783	3,033	24,813
Impairment of goodwill	321,037	—	—	321,037	14,535	—	—	14,535
(Loss) income before income taxes and intersegment allocations	(332,023)	32,025	(63,973)	(363,971)	13,842	27,780	(47,279)	(5,657)
Less: Intersegment allocations	17,087	21,854	(38,941)	—	11,910	21,683	(33,593)	—
(Loss) income before income taxes	$(349,110)	$ 10,171	$ (25,032)	$(363,971)	$ 1,932	$ 6,097	$ (13,686)	$ (5,657)

For geographic reporting purposes, the Company's business operations are grouped into Canada, the UK and Europe, the United States, and Other Foreign Locations. The following table presents the revenue of the Company by geographic location (revenue is attributed to geographic areas on the basis of the location of the underlying corporate operating results):

	For the years ended	
	March 31, 2016	March 31, 2015
Canada	$ 247,021	$ 345,325
United Kingdom and Europe	283,803	281,493
United States	218,965	204,339
Other Foreign Locations	38,016	49,606
	$ 787,805	$ 880,763

The following table presents selected figures pertaining to the financial position of each geographic location:

	Canada	UK and Europe	United States	Other Foreign Locations	Total
As at March 31, 2016					
Equipment and leasehold improvements	$ 12,452	$ 12,751	$ 9,798	$ 2,048	$ 37,049
Goodwill	92,074	111,658	—	—	203,732
Intangible assets	58,025	61,088	92	999	120,204
Non-current assets	162,551	185,497	9,890	3,047	360,985
As at March 31, 2015					
Equipment and leasehold improvements	15,607	14,300	11,128	2,338	43,373
Goodwill	242,074	210,146	9,103	44,256	505,579
Intangible assets	60,819	68,371	90	5,597	134,877
Non-current assets	$ 318,500	$ 292,817	$ 20,321	$ 52,191	$ 683,829

NOTE 21 Capital Management

The Company's business requires capital for operating and regulatory purposes, including funding current and future operations. The Company's capital structure is underpinned by shareholders' equity, which is comprised of preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive income (loss), and is further complemented by the subordinated debt. The following table summarizes our capital as at March 31, 2016 and 2015:

Type of capital	March 31, 2016	March 31, 2015
Preferred shares	$ 205,641	$ 205,641
Common shares	617,756	620,858
Contributed surplus	86,235	85,597
Retained earnings (deficit)	(294,586)	92,815
Accumulated other comprehensive income	134,883	112,631
Shareholders' equity	749,929	1,117,542
Subordinated debt	15,000	15,000
	$ 764,929	$ 1,132,542

The Company's capital management framework is designed to maintain the level of capital that will:

- Meet the Company's regulated subsidiaries' target ratios as set out by the respective regulators
- Fund current and future operations
- Ensure that the Company is able to meet its financial obligations as they become due
- Support the creation of shareholder value

The following subsidiaries are subject to regulatory capital requirements in the respective jurisdictions by the listed regulators:

- Canaccord Genuity Corp. is subject to regulation in Canada primarily by the Investment Industry Regulatory Organization of Canada (IIROC)
- Canaccord Genuity Limited, Canaccord Genuity Wealth Limited, and Canaccord Genuity Financial Planning Limited are regulated in the UK by the Financial Conduct Authority (FCA)
- Canaccord Genuity Wealth (International) Limited is licensed and regulated by the Guernsey Financial Services Commission, the Isle of Man Financial Supervision Commission and the Jersey Financial Services Commission
- Canaccord Genuity Singapore Pte Ltd. is subject to regulation by the Monetary Authority of Singapore
- Canaccord Genuity (Australia) Limited is regulated by the Australian Securities and Investments Commission
- Canaccord Genuity (Hong Kong) Limited is regulated in Hong Kong by the Securities and Futures Commission
- Canaccord Genuity Inc. is registered as a broker dealer in the US and is subject to regulation primarily by the Financial Industry Regulatory Authority, Inc. (FINRA)
- Canaccord Genuity Wealth Management (USA) Inc. is registered as a broker dealer in the US and is subject to regulation primarily by FINRA
- Canaccord Asset Management Inc. is subject to regulation in Canada by the Ontario Securities Commission

Margin requirements in respect of outstanding trades, underwriting deal requirements and/or working capital requirements cause regulatory capital requirements to fluctuate on a daily basis. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of cash disbursements. Some of the subsidiaries are also subject to regulations relating to withdrawal of capital, including payment of dividends to the Company. There were no significant changes in the Company's capital management policy during the current year. The Company's subsidiaries were in compliance with all of the minimum regulatory capital requirements as at and during the year ended March 31, 2016.

NOTE 22 Client Money

At March 31, 2016, the UK and Europe operations held client money in segregated accounts of $2,179 million (£1,168.0 million) [2015 – $1,880.4 million; £1,000 million]. This is comprised of $6.2 million (£3.3million) [2015 – $18.4 million; £9.8 million] of balances held on behalf of clients to settle outstanding trades and $2,173 million (£1,165 million) [2015 – $1,862 million; £991.2 million] of segregated deposits, held on behalf of clients, which are not reflected on the consolidated statements of financial position. Movement in settlement balances is reflected in operating cash flows.

NOTE 23 Provisions and Contingencies

PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. At each reporting date, the Company assesses the adequacy of its pre-existing provisions and adjusts the amounts as necessary. The following is a summary of the changes during the years ended March 31, 2016 and 2015:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2014	$ 7,412	$ 2,922	$ 10,334
Additions	4,428	24,813	29,241
Utilized	(7,068)	(16,261)	(23,329)
Recoveries	(1,926)	—	(1,926)
Balance, March 31, 2015	$ **2,846**	$ **11,474**	$ **14,320**
Additions	**2,518**	**17,352**	**19,870**
Utilized	**(1,764)**	**(13,615)**	**(15,379)**
Balance, March 31, 2016	$ **3,600**	$ **15,211**	$ **18,811**

During the year ended March 31, 2016, the Company incurred $17.4 million in restructuring costs in connection with staff reductions in the capital markets operations in Canada, the US and the UK and Europe, the closure of the Barbados office in Other Foreign Locations, as well as charges related to staff reductions and certain executive changes in Canada. The restructuring provisions at March 31, 2016 relate primarily to termination benefits incurred as part of the Company's reorganization. It is expected that the restructuring provisions at March 31, 2016 will be mostly utilized during the year ending March 31, 2017.

Commitments, litigation proceedings and contingent liabilities

In the normal course of business, the Company is involved in litigation, and as of March 31, 2016, it was a defendant in various legal actions. The Company has established provisions for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicate that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of March 31, 2016, have not resulted in the commencement of legal actions. The Company cannot determine the effect of all asserted and unasserted claims on its financial position; however, where losses arising from asserted and unasserted claims are considered probable and where such losses can be reasonably estimated, the Company has recorded a provision.

Management's evaluation and analysis of these claims indicate that the amounts reasonably claimed in respect of certain claims are material and, accordingly, these claims are described below.

Certain claims have been asserted against the Company in respect of the sale of certain conventional wealth management tax advantaged film partnership products in the UK by a predecessor which could be material if such claims are advanced, additional claims are made and the Company's assumptions used to evaluate the matter as neither probable nor estimable change in future periods. In that event, the Company may be required to record a provision for an adverse outcome which could have a material adverse effect on the Company's financial position. The aggregate investment by the Company's clients in respect of these products is estimated to be $10.9 million (£5.8 million). The aggregate initial tax deferral realized by the Company's clients in respect of these products when they were purchased by those clients during the period from 2006 to 2009 is estimated to be $15.0 million (£8.0 million). Enforcement in accordance with recent announcements from the UK taxation authority in respect of the taxation of other similar products sold by other financial advisors (the Litigation) could result in tax liabilities to the purchasers of those products in excess of the initial tax deferral amount. The potential tax liability for the Company's clients that is in excess of the initial tax deferral amount is estimated to be $15.5 million (£8.3 million). The probable outcome of the Litigation and the

resulting impact on taxation in respect of this matter and the likelihood of a loss to the Company in connection with any claims asserted against the Company, or which may be asserted against the Company, are not determinable at the date of these consolidated financial statements.

NOTE 24 Commitments

Subsidiaries of the Company are committed to approximate minimum lease payments for premises and equipment over the next five years and thereafter as follows:

2017	$	31,196
2018		27,618
2019		22,577
2020		17,465
2021		15,421
Thereafter		36,821
	$	151,098

Some leases include extension options and provide for stepped rents, which mainly relate to lease of office space.

Certain subsidiaries of the Company have agreed to sublease agreements and the approximate minimum lease receipts for premises and equipment over the next five years and thereafter as follows:

2017	$	1,286
2018		884
2019		718
2020		718
2021		718
Thereafter		1,017
	$	5,341

NOTE 25 Subsequent Events

(i) BUSINESS DISPOSITION

On April 8, 2016, the Company announced that it had entered into a transaction with SAC Capital Private Limited (SAC Capital) whereby SAC Capital will acquire 100% of the ordinary shares of Canaccord Genuity Singapore Pte Ltd.

The Company will receive upfront cash consideration and further payments based on the value of net tangible assets and deferred consideration calculated with reference to the future cash flows arising from the existing business.

The transaction is subject to completion of certain closing conditions, including regulatory approval from the Monetary Authority of Singapore and is expected to close in the second quarter of fiscal 2017.

(ii) DIVIDENDS

On June 1, 2016, the Board of Directors considered the Company's dividend policy in the context of the market environment and business activity and agreed a continued suspension of the quarterly dividend on common shares. This suspension will be reviewed quarterly and a determination made on the basis of business conditions and profitability.

On June 1, 2016 the Board of Directors approved the following cash dividends: $0.34375 per Series A Preferred Share payable on June 30, 2016 with a record date of June 17, 2016; and $0.359375 per Series C Preferred Share payable on June 30, 2016 with a record date of June 17, 2016.

(iii) SUBORDINATED DEBT

The Company is planning to repay $7.5 million of the subordinated debt during the fiscal year ending March 31, 2017.