

Interim Consolidated Financial Statements of

THE BRICK GROUP INCOME FUND

*For the three and nine month periods ended September 30, 2009
(Unaudited)*

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The Brick Group Income Fund
Interim Consolidated Balance Sheets
(thousands of Canadian dollars)
(unaudited)

	September 30, 2009	December 31, 2008
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 9,692	\$ 14,419
Accounts receivable	60,768	69,616
Inventory (Note 4)	167,691	207,627
Deferred issuance costs (Note 9)	4,577	-
Prepaid expenses and deposits	5,348	3,027
	248,076	294,689
NET INVESTMENT IN LEASE RECEIVABLES	328	517
MARKETABLE SECURITIES (Note 5)	17,388	18,912
DEFERRED ACQUISITION COSTS	24,321	25,382
CAPITAL ASSETS (Note 6)	137,527	146,234
GOODWILL (Note 7)	-	108,459
INTANGIBLE ASSETS AND DEFERRED CHARGES (Notes 7 & 8)	58,626	105,869
FUTURE INCOME TAXES	44	48
	\$ 486,310	\$ 700,110
LIABILITIES		
CURRENT		
Asset-based credit facility (Note 9)	\$ 20,314	\$ -
Accounts payable and accrued liabilities	172,383	251,008
Customers' deposits	56,759	53,401
Unpaid claims reserve	2,762	3,099
	252,218	307,508
DEFERRED SERVICE REVENUE	22	14
DEFERRED LEASE INDUCEMENTS	26,143	21,417
DEFERRED WARRANTY PLAN REVENUE AND UNEARNED INSURANCE REVENUE	127,800	133,757
LONG-TERM DEBT (Note 9)	111,231	82,122
FUTURE INCOME TAXES	2,380	20,741
	519,794	565,559
COMMITMENTS (Note 18)		
UNITHOLDERS' (DEFICIT) EQUITY		
Trust units (Note 10)	528,611	528,213
Warrants (Note 11)	7,382	-
Deficit	(569,106)	(391,144)
Accumulated other comprehensive loss	(371)	(2,518)
	(33,484)	134,551
	\$ 486,310	\$ 700,110

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

The Brick Group Income Fund
Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(thousands of Canadian dollars except unit and per unit amounts)
(unaudited)

Consolidated Statements of Income (Loss)	September 30, 2009 (3 months)	September 30, 2008 (3 months)	September 30, 2009 (9 months)	September 30, 2008 (9 months)
SALES AND OPERATING REVENUE	\$ 334,880	\$ 380,761	\$ 862,153	\$ 1,061,907
COST OF SALES (Note 4)	198,387	227,145	511,069	626,480
GROSS MARGIN	136,493	153,616	351,084	435,427
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	124,541	133,253	349,567	386,473
OTHER INCOME (EXPENSE)	11,952	20,363	1,517	48,954
Investment and other income	113	244	462	814
Other interest	(597)	(927)	(2,154)	(2,759)
Interest on long-term debt	(3,924)	(1,401)	(8,415)	(4,169)
Amortization of deferred issuance costs (Note 9)	(1,160)	-	(1,160)	-
Amortization (Notes 6 & 8)	(6,323)	(6,334)	(22,070)	(19,231)
	(11,891)	(8,418)	(33,337)	(25,345)
INCOME (LOSS) BEFORE UNDERNOTED ITEMS	61	11,945	(31,820)	23,609
Loss on extinguishment of debt (Notes 8 & 9)	-	-	(3,046)	-
Goodwill and intangible asset impairment (Note 7)	-	-	(158,459)	-
INCOME (LOSS) BEFORE INCOME TAXES	61	11,945	(193,325)	23,609
INCOME TAX (EXPENSE) RECOVERY				
Current	(363)	(13)	(953)	(440)
Future	767	1,170	19,025	1,859
	404	1,157	18,072	1,419
NET INCOME (LOSS)	\$ 465	\$ 13,102	\$ (175,253)	\$ 25,028
Basic net income (loss) per unit	\$ 0.01	\$ 0.24	\$ (3.23)	\$ 0.46
Diluted net income (loss) per unit	\$ 0.00	\$ 0.24	\$ (3.23)	\$ 0.46
Basic average number of units outstanding	54,236,465	54,171,133	54,192,990	54,171,133
Plus incremental units from assumed conversion of warrants	11,581,032	-	-	-
Diluted average number of units outstanding	65,817,497	54,171,133	54,192,990	54,171,133

Consolidated Statements of Comprehensive Income (Loss)

NET INCOME (LOSS)	\$ 465	\$ 13,102	\$ (175,253)	\$ 25,028
Other comprehensive income (loss), net of income taxes				
Net increase (decrease) in unrealized fair value of available for sale securities	523	(855)	1,566	(1,057)
Net change in cash flow hedge (Note 15c)	-	28	581	84
Other comprehensive income (loss)	523	(827)	2,147	(973)
COMPREHENSIVE INCOME (LOSS)	\$ 988	\$ 12,275	\$ (173,106)	\$ 24,055

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

The Brick Group Income Fund
Interim Consolidated Statements of Changes in Unitholders' Deficit Equity
(thousands of Canadian dollars)
(unaudited)

	September 30, 2009 (3 months)	September 30, 2008 (3 months)	September 30, 2009 (9 months)	September 30, 2008 (9 months)
Trust units				
Balance at beginning of period	\$ 528,213	\$ 528,213	\$ 528,213	\$ 528,213
Exercise of warrants (Note 10)	398	-	398	-
Balance at end of period	528,611	528,213	528,611	528,213
Deficit				
Balance at beginning of period as previously reported	-	-	-	(126,372)
Change in accounting policy (Note 3)	-	-	-	(6,086)
Balance at beginning of period as restated	(569,571)	(153,034)	(391,143)	(132,458)
Net income (loss) (Note 3)	465	13,102	(175,253)	25,028
Distributions declared (Note 12)	-	(16,251)	(2,710)	(48,753)
Balance at end of period	(569,106)	(156,183)	(569,106)	(156,183)
Warrants				
Balance at beginning of period	2,284	-	-	-
Warrants issued (Note 11)	5,106	-	7,506	-
Warrants issue costs	-	-	(137)	-
Future income tax impact of warrants issue costs	-	-	21	-
Warrants exercised (Note 11)	(8)	-	(8)	-
Balance at end of period	7,382	-	7,382	-
Accumulated other comprehensive loss on available for sale securities				
Balance at beginning of period	(894)	(532)	(1,937)	(330)
Unrealized gain (loss) arising during the period (Note 5)	567	(1,295)	1,782	(1,739)
Income taxes on unrealized (gain) loss arising during the period	(177)	416	(544)	551
Reclassification of realized losses to net income	193	35	472	192
Income taxes on reclassification of realized losses to net income	(60)	(11)	(144)	(61)
Balance at end of period	(371)	(1,387)	(371)	(1,387)
Accumulated other comprehensive loss on cash flow hedge (Note 15c)				
Balance at beginning of period	-	(636)	(581)	(692)
Reclassification of loss on cash flow hedge to net income (net of income taxes of SNIL)	-	28	581	84
Balance at end of period	-	(608)	-	(608)
Total accumulated other comprehensive loss	(371)	(1,995)	(371)	(1,995)
Total unitholders' (deficit) equity	\$ (33,484)	\$ 370,035	\$ (33,484)	\$ 370,035

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

The Brick Group Income Fund
Interim Consolidated Statements of Cash Flow
(thousands of Canadian dollars)
(unaudited)

	September 30, 2009 (3 months)	September 30, 2008 (3 months)	September 30, 2009 (9 months)	September 30, 2008 (9 months)
OPERATING ACTIVITIES				
Net income (loss)	\$ 465	\$ 13,102	\$ (175,253)	\$ 25,028
Add (deduct) items not affecting cash				
Amortization (Notes 6 & 8)	6,361	6,373	22,183	19,344
Amortization of deferred lease inducements	(599)	(419)	(1,652)	(1,239)
Amortization of deferred warranty revenue	(12,568)	(9,896)	(36,608)	(27,857)
Amortization of deferred acquisition costs	2,348	1,708	6,780	4,689
Amortization of financing fee and transaction costs	340	42	536	124
Amortization of deferred issuance costs (Note 9)	1,160	-	1,160	-
Accretion expense on debenture	116	-	156	-
Future income taxes	(767)	(1,170)	(19,025)	(1,859)
Reclassification from other comprehensive loss related to hedging activity	-	28	581	84
Amortization of preferred share premiums	8	52	64	143
Loss (gain) on sale of capital assets	4	52	137	(48)
Loss on sale of marketable securities	193	35	483	192
Loss on extinguishment of debt	-	-	2,165	-
Goodwill and intangible asset impairment (Note 7)	-	-	158,459	-
Cash received for leasehold inducements	846	801	6,378	1,404
Cash paid for deferred acquisition costs	(1,944)	(2,418)	(5,719)	(6,778)
Cash received on warranty and insurance sales	11,571	12,378	30,651	34,018
	7,534	20,668	(8,524)	47,245
Changes in non-cash operating working capital items (Note 14)	22,092	22,506	(18,977)	30,745
	29,626	43,174	(27,501)	77,990
FINANCING ACTIVITIES				
Decrease in net bank indebtedness (Note 9)	-	(15,353)	-	(10,016)
Borrowings under asset-based credit facility	269,032	-	362,401	-
Repayments under asset-based credit facility	(292,087)	-	(342,087)	-
Financing fees paid	-	(71)	(665)	(307)
Distributions paid (Note 12)	-	(16,251)	(5,419)	(51,004)
Repayment of senior secured notes (Note 9)	-	-	(83,000)	-
Issuance of debentures and warrants, net of transaction costs (Note 9)	(265)	-	112,892	-
Proceeds from exercise of warrants (Note 10)	390	-	390	-
	(22,930)	(31,675)	44,512	(61,327)
INVESTING ACTIVITIES				
Additions to capital assets	(787)	(10,924)	(10,173)	(21,925)
Change in accounts payable and accrued liabilities related to capital assets	(1,810)	202	(7,258)	451
Additions to marketable securities	(370)	(319)	(2,822)	(1,586)
Additions to intangible assets	(107)	-	(7,015)	-
Proceeds from sale of marketable securities	373	579	6,052	2,005
Additions to deferred issuance cost	(631)	-	(631)	-
Proceeds on disposal of capital assets	-	2	109	109
	(3,332)	(10,460)	(21,738)	(20,946)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD				
	3,364	1,039	(4,727)	(4,283)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	6,328	2,852	14,419	8,174
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 9,692	\$ 3,891	\$ 9,692	\$ 3,891
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Interest and dividends received	\$ 199	\$ 286	\$ 687	\$ 945
Interest paid	\$ 540	\$ 3,131	\$ 5,495	\$ 7,044
Income taxes paid	\$ 139	\$ 406	\$ 510	\$ 1,133

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

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
(thousands of Canadian dollars except unit, warrant and per unit amounts)
(unaudited)

1. DESCRIPTION OF THE BUSINESS

The Brick Group Income Fund (the “Fund”) is an unincorporated, open ended limited purpose trust created by the Declaration of Trust made as at May 25, 2004, as amended and restated, and governed by the laws of Alberta. The Fund is authorized to issue an unlimited number of Class A and Class B trust units (the “Trust units.”) The Fund was created to invest in the retail furniture, mattress, appliance and electronics industry initially through the indirect acquisition on July 20, 2004 of the limited partnership units of The Brick Warehouse LP together with its general partner and subsidiaries (the “Brick LP”). The Fund remained inactive until the acquisition on July 20, 2004.

The business of the Fund includes the operations of The Brick Warehouse LP, United Furniture Warehouse LP, First Oceans Trading Corporation, Trans Global Warranty Corp., Trans Global Insurance Company and Trans Global Life Insurance Company whose principal business activities are retail sales of furniture, mattresses, appliances and electronics, and the marketing of warranty plans and retail credit insurance plans.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements (the “financial statements”) have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), and include the accounts of the Fund and its wholly owned subsidiaries, including The Brick Trust, The Brick Warehouse LP, United Furniture Warehouse LP, First Oceans Trading Corporation, and Trans Global Warranty Corp. and its subsidiaries: Trans Global Life Insurance Company and Trans Global Insurance Company. All intercompany transactions and balances have been appropriately eliminated. These financial statements do not contain all disclosures required by GAAP for annual financial statements and, accordingly, the financial statements should be read in conjunction with the most recently prepared annual consolidated financial statements for the year ended December 31, 2008.

These financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements for the year ended December 31, 2008, except as described in Note 3.

These financial statements have been prepared assuming the Fund will continue as a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset and liability amounts should the Fund be unable to continue as a going concern.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
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BASIS OF PRESENTATION (continued)

The Fund's financial results have been negatively impacted by declining sales and operating revenues in the retail segment. These declines in sales and operating revenue reflect the effects of the deterioration in the economy which has led to reduced consumer confidence and spending in the Canadian retail sector. The resulting decline in the Funds operating results has led some inventory suppliers to restrict credit terms as they work to address their own credit risk exposures, and this negatively impacted inventory levels and the Fund's ability to deliver goods and complete sales during the second quarter. Taken together, these factors have imposed significant challenges on management's ability to maintain alignment and effectiveness of our purchasing, logistics, marketing and sales functions, which has further exacerbated the decline in sales. The Fund has reduced variable and fixed costs where possible.

On February 18, 2009, the Fund announced that as a result of the continued deterioration in economic conditions and the uncertain outlook for 2009, it was suspending its monthly distribution payments.

On March 13, 2009, the Fund announced amendments to its Credit Facilities and Senior Notes which served to mitigate the risk of default with respect to financial covenants. However, due to continued deterioration in economic conditions impacting the Fund's business, the Fund would have breached its amended financial covenants at the end of the second quarter of 2009, causing its Credit Facilities and Senior Notes indebtedness to become immediately due and payable. As well, borrowing capacity under the amended facilities was reduced from \$100,000 to approximately \$60,000 which the Fund expected to fully utilize to meet its business and liquidity requirements.

On May 28, 2009, to deal with these liquidity and financial covenant risks, the Fund completed a recapitalization transaction (Note 9). The recapitalization transaction provided the Fund with additional operating flexibility as there are no financial covenants under the Asset-Based Credit Facility or the Debentures. The recapitalization transaction has also provided additional liquidity. Under the Asset-Based Credit Facility at September 30, 2009, the borrowing base was margined at \$79,184 and \$48,063 was undrawn and available to fund operations and working capital requirements. Undrawn credit under the Asset-Based Credit Facility at October 31, 2009 was \$60,619.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
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BASIS OF PRESENTATION (continued)

On August 24, 2009, to address limitations to credit terms imposed by some inventory suppliers during the first half of 2009, the Fund entered into an agreement with Fairfax Financial Holdings Limited ("Fairfax") pursuant to which Fairfax issued an irrevocable letter of credit (the "Fairfax LC") (Note 9) to GE Capital in the aggregate principal amount of \$25,000. The purpose of the Fairfax LC is to support the issuing of letters of credit under the \$130,000 GE Capital Asset Based Credit Facility to the Fund's inventory suppliers ("Supplier LCs") (Note 9) in exchange for additional new credit terms. The first of the Supplier LCs were issued in September 2009 and are positively impacting the Fund's working capital and liquidity positions. The Fund believes the Fairfax LC facility is adequate to address any supplier credit issues that may arise during its term. The Fairfax LC matures on February 24, 2010 and may be extended for a further six months at the Fund's option. In the event the Fairfax LC is extended, the Fund will be required to pay an extension fee of \$1,250. The need to extend the Fairfax LC will depend on the Fund's supplier relations, operating results and financial position at the time.

Current forecasts and related assumptions illustrate that management can manage the business and maintain adequate liquidity within the terms of the Asset-Based Credit Facility. However, such forecasts are dependent on certain assumptions, including, without limitation, the absence of further deterioration in the Fund's consolidated revenues, its ability to manage costs, and its ability to maintain credit terms with the Fund's suppliers after the Fairfax LC has expired.

For the quarter ended September 30, 2009, the Fund generated net income and positive earnings before interest taxes depreciation amortization ("EBITDA")* showing improvement over the net losses and negative EBITDA reported for the first two quarters of 2009. As well, the Fund's cash position at September 30, 2009 was at its strongest level of 2009 with \$48,063 undrawn and available under its Asset-Based Credit Facility. This period of improvement and stabilization in the Fund's financial condition, essentially the third quarter, is relatively short. Therefore, risks to these assumptions relate generally to the risk of a reversal in the current trend of improvement in the economy. Any repercussions related to the recession such as increased unemployment, negative news or reports about the economy, or a reversal of the easing trend in credit markets, could negatively impact consumer confidence, the Fund's ability to maintain retail financing options for its customers, or its vendors' ability to continue to extend credit terms.

Should any of the Fund's assumptions prove false, the Fund may not be able to generate adequate cash flow or have sufficient borrowing availability under the Asset-Based Credit Facility to fund its obligations as they come due without obtaining additional sources of financing. Further, the Fund's business, financial condition, liquidity and results of operations could be materially adversely affected and there can be no assurance that the Fund would be able to continue to operate as a going concern.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
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BASIS OF PRESENTATION (continued)

The outcome of the various matters discussed above remains subject to some uncertainty at this time. While management believes the use of the going concern assumption is appropriate, there is no assurance that the outcome of the above actions will be sufficient to assure the Fund's continued operations, and any adjustments necessary to the financial statements if the Fund ceases to be a going concern could be material.

* EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP, and therefore, may not be comparable to similar measures presented by other issuers.

3. CHANGES IN ACCOUNTING POLICIES

Commencing January 1, 2009, the Fund adopted the following new Canadian Institute of Chartered Accountants ("CICA") accounting standard:

Section 3064 – Goodwill and Intangible Assets

In February 2008, the CICA issued new Handbook Section 3064, Goodwill and Intangible Assets, replacing Handbook Section 3062, Goodwill and Other Intangible Assets. This new standard was adopted by the Fund for its fiscal year starting on January 1, 2009. Standards concerning goodwill are unchanged from the standards included in the previous Handbook Section 3062. The new section provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. Accordingly, no amortization in respect of pre-opening costs will be recorded during the year ending December 31, 2009, or thereafter. The change in policy has been applied retroactively. As a result, the Fund has charged certain amounts to deficit as at January 1, 2008, as if the pre-opening costs had not been deferred. These adjustments as at January 1, 2008 resulted in a decrease in intangible assets and deferred charges of \$5,732, a decrease in prepaid expenses and deposits of \$354, and an increase in opening deficit as at January 1, 2008 of \$6,086. In addition, the Fund has restated its 2008 results of operations in order to reflect this change in policy. For the three month period ended September 30, 2008, these adjustments resulted in a decrease in amortization expense of \$661, an increase in selling, general and administrative expenses of \$1, and a corresponding increase in the net income of \$660. The impact on basic and diluted net income per unit was an increase of \$0.01 per unit. There was no impact to the consolidated statement of cash flow. For the nine month period ended September 30, 2008, these adjustments resulted in a decrease in amortization expense of \$1,983, a decrease in selling, general and administrative expenses of \$153, and a corresponding increase in the net income of \$2,136. The impact on basic and diluted net income per unit was an increase of \$0.04 per unit. There was no impact to the consolidated statement of cash flow. These pre-opening costs related mainly to the expansion of the Fund's operations into Quebec in 2004, and to the expansion of its distribution centre infrastructure in 2006.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
(thousands of Canadian dollars except unit, warrant and per unit amounts)
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CHANGES IN ACCOUNTING POLICIES (continued)

Section 3500 – Earnings per Unit

The warrants (Note 11) issued in conjunction with the recapitalization transaction and the Fairfax LC are potentially dilutive equity instruments. Accordingly, the Fund must now consider the potentially dilutive effect of these warrants on its earnings per unit. The Fund has adopted the treasury stock method to compute the dilutive effect of the warrants on earnings per unit. Under this method, the dilutive effect is calculated assuming that the Fund would use proceeds received upon the exercise of warrants to purchase Class A units of the Fund at the average market price during the period. No such calculation is made where a loss is incurred because the effect would be anti-dilutive. In this latter case, the diluted loss per unit is considered to be equal to the basic loss per unit. Basic earnings per unit are calculated using the weighted-average number of Trust units outstanding during the period.

EIC – 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. EIC-173 requires that entities take into account their own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and liabilities, including derivative instruments. The adoption of EIC-173 during the second quarter has had no impact on the Fund's results of operations, financial position or disclosures.

Pending Changes to Accounting Policy

Section 1582 – Business Combinations

In January 2009, the CICA issued new Handbook Section 1582, Business Combinations, replacing the existing Handbook Section 1581, Business Combinations. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3, "Business Combinations" (January 2008). This Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. If an entity applies this Section before January 1, 2011, it shall disclose that fact and apply Section 1601, Consolidated Financial Statements, and Section 1602, Non-Controlling Interests, at the same time. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund plans to adopt this new Section for its fiscal year beginning January 1, 2011.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
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CHANGES IN ACCOUNTING POLICIES (continued)

Section 1601 – Consolidated Financial Statements

In January 2009, the CICA issued new Handbook Section 1601, Consolidated Financial Statements. This Section, together with new Handbook Section 1602, Non-controlling interests, replaces existing Section 1600, Consolidated Financial Statements, and establishes standards for the preparation of consolidated financial statements. The Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582, Business Combinations, and Section 1602, Non-Controlling Interests. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund plans to adopt this new Section for its fiscal year beginning January 1, 2011.

Section 1602 – Non-controlling interests

In January 2009, the CICA issued new Handbook Section 1602, Non-Controlling Interests. This new Section establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, “Consolidated and Separate Financial Statements” (January 2008). This Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582, Business Combinations, and Section 1601, Consolidated Financial Statements. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund plans to adopt this new Section for its fiscal year beginning January 1, 2011.

Section 3862 - Financial Instruments – Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures, was amended to include additional disclosure requirements about fair value measurements of financial instruments, including the relative reliability of the inputs used in those measurements, and enhance liquidity risk disclosure requirements. In the first year of application, an entity need not provide comparative information for the disclosures required by the amendments. The amendments are effective for annual financial statements for fiscal years ending after September 30, 2009. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund plans to adopt this new Section for its fiscal year ending December 31, 2009.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
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CHANGES IN ACCOUNTING POLICIES (continued)

Section 3855 - Financial Instruments – Recognition and Measurement

CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, was amended to clarify when an embedded prepayment option is separated from its host debt instrument for accounting purposes and the application of the effective interest method after a debt instrument has been impaired. These amendments apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

This Section has been amended to add guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. These amendments apply to reclassifications made on or after July 1, 2009.

Also, this Section has been amended to change the categories into which a debt instrument is required or permitted to be classified, to change the impairment model for held-to-maturity financial assets to the incurred credit loss model of Section 3025 – Impaired Loans, and to require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances. These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund will adopt this new Section for its fiscal year ending December 31, 2009.

Section 1625 - Comprehensive Revaluation of Assets and Liabilities

CICA Handbook Section 1625, Comprehensive Revaluation of Assets and Liabilities, was amended to be consistent with Handbook Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and Section 1602 – Non-controlling Interests, which were issued in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund plans to adopt this new Section for its fiscal year beginning January 1, 2011.

Section 3025 - Impaired Loans

CICA Handbook Section 3025, Impaired Loans, was amended to include held-to-maturity investments and to conform the definition of a loan to that in amended Section 3855. These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008. The Fund does not expect the new Section to have any impact on its financial position or results of operations. The Fund plans to adopt this new Section for its fiscal year ending December 31, 2009.

The Brick Group Income Fund
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CHANGES IN ACCOUNTING POLICIES (continued)

International Financial Reporting Standards

In March 2007, the CICA announced that Canadian publicly accountable enterprises will adopt International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) effective January 1, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure.

During the year ended December 31, 2008, the Fund commenced its IFRS implementation project to assess the potential impacts of the transition to IFRS and developed a detailed project plan to ensure compliance with the new standards. The Fund has completed the initial phase of the implementation project including a detailed diagnostic analysis which includes a high-level impact assessment to identify key areas that may be impacted by the adoption of IFRS. Areas identified which may have the most significant impact on the Fund include, development of opening balances in the consolidated balance sheet, measurement of capital assets, asset impairment measurements, and leases. The initial phase of the analysis resulted in the prioritization of areas to be evaluated in the next phase of the project plan and component evaluation. This phase, which is currently in progress, includes the analysis of accounting policy alternatives available under IFRS as well as the determination of changes required to existing information systems and business processes. In this phase the Fund will continue to assess the impact of the adoption of IFRS on its results of operations, financial position and financial statement disclosures.

As well, the Fund continues to assess the impact of the conversion on internal controls over financial reporting and disclosure controls and procedures, investor relations, human resources, contractual relations, and other areas that could potentially be impacted.

4. INVENTORY

The amount of inventory recognized as an expense during the three and nine month periods ended September 30, 2009 was \$191,543 and \$492,495 respectively (three and nine month periods ended September 30, 2008: \$221,502 and \$610,547 respectively). This amount is presented within cost of sales on the interim consolidated statements of income (loss). The entire carrying amount of inventory is subject to a first charge security interest in favour of the Fund's Asset-Based Credit Facility lender, a subordinated security interest in favour of its Fairfax LC lender, and a subordinated security interest in favour of its Debenture holders (Note 9).

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5. MARKETABLE SECURITIES

	September 30, 2009			December 31, 2008		
Marketable Securities Carried at Amortized Cost	Amortized Cost	Fair Value	Unrealized (Loss) Gain	Amortized Cost	Fair Value	Unrealized (Loss) Gain
Bonds	\$ 107	\$ 107	\$ -	\$ 110	\$ 110	\$ -
Marketable Securities Carried at Fair Value	Fair Value	Amortized Cost	Unrealized (Loss) Gain	Fair Value	Amortized Cost	Unrealized (Loss) Gain
Preferred shares	14,439	14,539	(100)	16,359	17,906	(1,547)
Trust units	467	623	(156)	401	623	(222)
Common shares	1,860	1,982	(122)	1,600	2,270	(670)
Exchange traded funds	515	778	(263)	442	778	(336)
	17,281	17,922	(641)	18,802	21,577	(2,775)
	\$ 17,388	\$ 18,029	\$ (641)	\$ 18,912	\$ 21,687	\$ (2,775)

For the three month period ended September 30, 2009, the unrealized gain of \$567 recorded as part of other comprehensive income is comprised of unrealized losses of \$140, and unrealized gains of \$707 arising during the period (unrealized gains and losses arising during the three month period ended September 30, 2008 were \$270 and \$1,565 respectively, for a net unrealized loss of \$1,295).

For the nine month period ended September 30, 2009, the unrealized gain of \$1,782 recorded as part of other comprehensive income is comprised of unrealized losses of \$505 and unrealized gains of \$2,287 arising during the period (unrealized gains and losses arising during the nine month period ended September 30, 2008 were \$863 and \$2,602 respectively, for a net unrealized loss of \$1,739).

Management routinely reviews the Fund's portfolios to assess whether unrealized losses are other-than-temporary. For the preferred shares, unrealized losses are considered to be temporary as these shares become redeemable at face value on their respective redemption dates. For the trust units and exchange traded funds, management routinely monitors and reviews the performance of, and outlook for, these securities with the Fund's investment advisors. The common share portfolio is managed according to a scoring model such that underperforming securities are routinely removed from the portfolio. For the three and nine month periods ended September 30, 2009, an other-than-temporary impairment loss of \$122, relating to certain common shares and trust units, was reclassified from other comprehensive income to investment and other income on the consolidated statements of income (loss). Management has assessed the remaining unrealized losses as not other-than-temporary, and accordingly, has not reclassified these unrealized losses to net income (loss). Marketable securities are held in part to satisfy regulatory requirements for minimum capital applicable to the Fund's insurance company subsidiaries (Note 17).

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6. CAPITAL ASSETS

	September 30, 2009			December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$ 11,954	\$ -	\$ 11,954	\$ 11,954	\$ -	\$ 11,954
Buildings	30,262	7,654	22,608	29,858	6,563	23,295
Automotive equipment	455	313	142	456	286	170
Equipment	74,376	33,401	40,976	68,845	26,019	42,826
Software and development costs	8,165	7,088	1,077	8,165	6,230	1,935
Leasehold improvements	111,327	50,556	60,771	107,146	41,092	66,054
	\$ 236,539	\$ 99,012	\$ 137,527	\$ 226,424	\$ 80,190	\$ 146,234

Amortization of capital assets for the three and nine month periods ended September 30, 2009 was \$5,275 and \$18,634 respectively (three and nine month periods ended September 30, 2008: \$5,273 and \$15,954 respectively).

In conjunction with a review of its long-lived assets for potential impairment, the Fund determined that leasehold improvements and equipment relating to certain stores within the retail segment were no longer providing an economic benefit to the Fund. These assets were written off in the second quarter of 2009. Accordingly, an impairment charge amounting to \$1,744 for these write offs is included in amortization expense on the consolidated statements of income (loss) for the nine month period ended September 30, 2009 (three and nine month periods ended September 30, 2008: \$NIL).

Included in capital assets is construction in progress of \$54 not subject to amortization at September 30, 2009 (December 31, 2008: \$12,271).

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7. GOODWILL AND INTANGIBLE ASSET IMPAIRMENT

The Fund's operating results for the first and second quarters of 2009 were below management expectations. As well, the Fund's market capitalization decreased significantly during the second quarter. These events triggered interim reviews of the carrying values of the Fund's brand indefinite life intangible assets and goodwill to determine whether an impairment charges were required. These interim reviews were performed for the first and second quarters of 2009. As a result, total impairment charges of \$158,459, including an impairment charge of \$108,459 related to the entire remaining balance of the Fund's goodwill and a \$50,000 impairment charge related to the Fund's brands (the "Brick" and "United Furniture Warehouse"), and related future income tax recoveries of \$14,770 have been recognized in the Fund's consolidated statements of income (loss) for the nine month period ended September 30, 2009. These impairment charges, recorded in the first and second quarters of 2009, have been recognized in the retail segment.

The Fund considered whether there were any triggering events occurring during the third quarter indicative of a potential further impairment of the Fund's intangible assets, and concluded that a further impairment was unlikely and therefore an interim review for impairment was not warranted.

The assessment of fair value for purposes of the goodwill and indefinite life intangible assets impairment test involves assumptions about future conditions for the economy, the length of the recession, capital markets, and specifically, the retail sector. As such, the assessment is subject to a significant degree of measurement uncertainty. It is plausible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount of brand intangible assets.

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8. INTANGIBLE ASSETS AND DEFERRED CHARGES

	September 30, 2009			December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Finite life:						
Information systems	\$ 15,158	\$ 11,924	\$ 3,234	\$ 15,158	\$ 10,293	\$ 4,865
Leasehold interests	8,414	6,177	2,237	8,414	5,622	2,792
Non-competitive agreements	5,414	5,371	43	5,414	4,690	724
Customer relationships	5,100	5,095	5	5,100	5,084	16
Retail financing fees	7,940	803	7,137	1,884	382	1,502
Indefinite life:						
Brand (Note 7)	45,970	-	45,970	95,970	-	95,970
	\$ 87,996	\$ 29,370	\$ 58,626	\$ 131,940	\$ 26,071	\$ 105,869

Amortization of intangible assets and deferred charges for the three and nine month periods ended September 30, 2009 was \$1,086 and \$3,549 respectively (three month and nine month periods ended September 30, 2008 (Note 3): \$1,100 and \$3,390 respectively). Included in these amounts is amortization of retail financing fees of \$38 and \$113 (2008: \$39 and \$113), respectively, which is included in cost of sales in the interim consolidated statements of income (loss). At September 30, 2009, retail financing fees include unamortized transaction fees of \$5,993 related to the Asset-Based Credit Facility (Note 9).

Deferred retail financing fees of \$710 related to the Fund's Credit Facilities, which were repaid in conjunction with the recapitalization transaction (Note 9), were written off and charged to income in the second quarter of 2009, and are included in loss on extinguishment of debt on the consolidated statement of income (loss) for the nine month period ended September 30, 2009.

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9. DEBT

Long-term Debt

	September 30, 2009	December 31, 2008
Debtures, net of total unamortized transaction costs and proceeds allocated to Warrants of \$8,769, with an aggregate principal amount of \$120,000.	\$ 111,231	\$ -
Senior secured notes, net of unamortized transaction costs of \$878, with an aggregate principal amount of \$83,000.	-	82,122
	\$ 111,231	\$ 82,122

On May 28, 2009, the Fund's senior secured notes ("Senior Notes") were refinanced on a long-term basis through a recapitalization transaction as follows:

- a \$120,000 financing comprised of the sale of debt units (the "Debt Units"), each Debt Unit consisting of \$1,000 principal amount of 12% senior secured debentures (the "Debentures") and 1,000 Class A Unit purchase warrants (the "Debenture Warrants") (Note 11); and
- a new asset-based credit facility (the "Asset-Based Credit Facility"); and
- the repayment of all of the Fund's outstanding Senior Notes, together with accrued interest and an early settlement penalty, totalling approximately \$85,200, and bank indebtedness totalling approximately \$55,100.

The Fund closed the financing for gross proceeds of \$120,000. Proceeds of \$30,000 were received pursuant to a short form prospectus (the "Public Offering"), and proceeds of \$90,000 were received pursuant to a private placement to accredited investors under an exemption from the prospectus requirements of applicable securities laws (the "Private Placement").

The proceeds of the financing were used to repay the Senior Notes with an aggregate principal amount of \$83,000 plus accrued interest of \$1,361 and an associated early settlement fee of \$830, and also to partially repay the Fund's Operating Credit Facility in the second quarter of 2009. The early settlement fee of \$830 was included in loss on extinguishment of debt on the consolidated statements of (loss) income the second quarter of 2009.

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DEBT (continued)

	Debentures	Warrants (Note 10)	Total
Allocation of gross proceeds	\$ 117,600	\$ 2,400	\$ 120,000
Allocation of transaction costs, net of future income taxes	(6,971)	(137)	(7,108)
Opening balance	110,629	2,263	112,892
Future income taxes related to transaction costs	-	21	21
Accretion	602	-	602
Carrying amount	\$ 111,231	\$ 2,284	\$ 113,515

The Fund allocated the gross proceeds from the financing between the Debentures and Debenture Warrants using the residual value method. Under the residual value method, gross proceeds from the financing are allocated to the Debentures based on their fair value. The residual amount of gross financing proceeds is then allocated to the Debenture Warrants. Fair value for the Debentures was determined using the quoted closing market price of the Debentures on their date of issue, May 28, 2009. Transaction costs related to the financing have been allocated pro rata to the Debentures and Debenture Warrants based on the allocation of gross financing proceeds.

Debentures

The Debentures mature on May 30, 2014 and bear interest at a fixed rate of 12% per annum, payable in cash semi-annually in arrears on December 31st and June 30th of each year commencing on December 31, 2009. The Debentures are not redeemable by the Fund prior to the maturity date. However, upon a change of control of the Fund (which is deemed to occur upon a change in ownership of 66 2/3 % of the Fund's Class A Units), the Fund is required to make an offer to purchase the Debentures, in whole or in part, at a price equal to 110% of the principal amount of the Debentures plus accrued and unpaid interest. The Debentures are secured by a first charge on all of the real estate and equipment owned by the Fund, and a security interest, ranking subordinate to the security for the Asset-Based Credit Facility, which covers all other assets, including inventory and accounts receivable. The Debentures have no financial covenants. Customary negative covenants include restrictions regarding encumbrance of assets and sale of assets, and limitations on mergers, amalgamations, investments, and on the Fund's ability to make distribution payments.

The Fund will accrete the carrying value of the Debentures to their face value of \$120,000 through a charge to the consolidated statements of income (loss) over their term. This charge will be included in interest on long-term debt and will be calculated using the effective interest method. The effective interest rate for the Debentures is 14.68% and includes accretion expense, amortization of transaction costs, and semi-annual coupon payments.

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DEBT (continued)

Senior Secured Notes

Prior to the recapitalization transaction, the Fund had outstanding Senior Notes with an aggregate principal amount of \$83,000. These notes, issued to six institutional investors, bore interest at a fixed annual rate. Interest only payments were required on September 14th and March 14th of each year until maturity on March 14, 2014, at which time the notes would become repayable in full.

On March 13, 2009, the trust indenture providing for the issuance of the Senior Notes was amended to maintain alignment with financial covenants and other amendments contained in the Credit Facilities amendment. This amendment included an increase in the coupon from 6.431% per annum to 8.000% per annum until December 14, 2009, and a decrease thereafter to 7.25% per annum for the remainder of the term. The effective interest rate under the amendment increased from 6.979% to 8.183%. The effective interest rate included interest payments together with hedge (Note 15c) and transaction costs.

The Senior Notes were secured by substantially all of the Fund's assets, and ranked pari passu with the Fund's Credit Facilities which included the Operating Credit Facility, the Acquisition Credit Facility, and the Commercial Letter of Credit Facility. The Credit Facilities were secured by a first fixed and floating charge on the assets of the Fund.

In conjunction with the repayment of the Senior Notes, unamortized transaction costs of \$1,455 were written off in the second quarter of 2009 and are included in loss on extinguishment of debt on the consolidated statement of income (loss) income for the nine month period ended September 30, 2009.

Asset-Based Credit Facility

On May 28, 2009, in conjunction with the recapitalization transaction, the Fund secured a new Asset-Based Credit Facility which provides for maximum borrowings of up to \$130,000 and is secured by the Fund's inventory and accounts receivable. The Asset-Based Credit Facility has no financial covenants, a term of 36 months, and bears interest at the Canadian chartered bank prime rate plus 3.0%. The amount available to be drawn under the Asset-Based Credit Facility will vary from time to time based on the level of the Fund's inventory and accounts receivable. Under the Asset-Based Credit Facility at September 30, 2009, the borrowing base was margined at \$79,184 and \$48,063 was undrawn and available to fund operations and working capital requirements. Undrawn credit under the Asset-Based Credit Facility at October 31, 2009 was \$60,619.

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DEBT (continued)

The Asset-Based Credit Facility was used to partially fund the repayment of the Fund's outstanding bank indebtedness under its Credit Facilities at the time of the recapitalization transaction, and will be used to fund general working capital requirements. In connection with Fairfax letter of credit facility discussed below, the borrowing base under the Asset-Based Credit Facility was amended to provide that Supplier LCs may be margined against 100% of the available amount of the Fairfax LC.

Letter of Credit Facility

On August 24, 2009, the Fund entered into an agreement with Fairfax pursuant to which Fairfax issued an irrevocable letter of credit in the aggregate principal amount of \$25,000 (the "Fairfax LC") to GE Capital, as agent on behalf of itself and the Lenders under the May 28, 2009 Asset-Based Credit Facility agreement.

The purpose of the Fairfax LC is to backstop additional letters of credit to be issued under the Asset-Based Credit Facility to certain of the Fund's inventory suppliers (the "Supplier LCs"); provided such inventory suppliers extend additional new credit to the Fund for inventory of not less than 150% of the Supplier LCs issued to such inventory suppliers. Maximum borrowings under the Asset-Based Credit Facility of \$130,000 remain unchanged and will continue to vary from time to time based on the level of the Fund's inventory and accounts receivable. Supplier LCs may be margined against 100% of the available amount of the Fairfax LC.

The Fairfax LC has an initial term of six months subject to extension at the option of the Fund for up to an additional six months for an extension fee of \$1,250. The Fairfax LC bears interest at 15% per annum on amounts drawn. On the closing date for the initial term of six months, the Fund paid a fee of \$300 to Fairfax and issued to Fairfax 5,317,100 warrants ("Fairfax LC Warrants") exercisable at \$0.82 per warrant. The resulting total fair value of the Fairfax LC Warrants initially recognized as a component of deferred issuance cost on the Fund's consolidated balance sheet at as September 30, 2009 was \$5,106 (Note 11). In addition to the \$300 fee paid to Fairfax, the Fund incurred closing costs of \$331.

At September 30, 2009, remaining deferred issuance costs of \$4,577 associated with the Fairfax LC include remaining unamortized cash costs of \$503 and non-cash costs of \$4,074. The remaining unamortized non-cash costs relate to the fair value of the Fairfax LC Warrants. These deferred issuance costs are being charged to income on a straight-line basis over the initial six-month term of the Fairfax LC facility.

Each Fairfax LC Warrant entitles the holder to purchase one Class A Trust Unit and is exercisable at the holder's option at any time, in whole or in part, prior to 5:00 p.m. (Eastern time) on August 24, 2014. The Fairfax LC Warrants include customary anti-dilution provisions, consistent with the terms of the Debenture Warrants previously issued to Fairfax in connection with the public debt offering on May 28, 2009.

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DEBT (continued)

Bank Indebtedness

Prior to the May 28, 2009 recapitalization transaction, the Fund's bank indebtedness was comprised of the Operating Credit Facility, the Acquisition Credit Facility, and the Commercial Letter of Credit Facility (together, the "Credit Facilities"). For the period March 31, 2009 to the date of repayment on May 28, 2009, the Fund's bank indebtedness increased from \$39,010 to \$55,100. For the period January 1, 2009 to the date of repayment on May 28, 2009, the Fund's bank indebtedness increased from \$NIL to \$55,100.

On March 13, 2009, the Fund's Credit Facilities agreement was amended to increase the maximum ratio of adjusted total debt to Earnings Before Interest Taxes Depreciation Amortization and Rent ("EBITDAR")*, as defined by the credit agreement, from 4.5 times to 5.0 times for the first three quarters of 2009, after which time the ratio will return to 4.5 times for the remainder of the term. The amendment served to mitigate the risk of default with respect to this financial covenant and was assessed by the Fund to be prudent and proactive in light of the economic downturn and its impact on the retail sector.

* EBITDAR is not an earnings measures recognized by GAAP and does not have a standardized meaning prescribed by GAAP, and therefore, may not be comparable to similar measures presented by other issuers.

At December 31, 2008 no amount was drawn under the \$60,000 Operating Credit Facility or the \$40,000 Acquisition Credit Facility. The Operating Credit Facility included a Commercial Letter of Credit Facility of \$5,000 of which \$NIL was drawn at December 31, 2008.

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10. TRUST UNITS

The Declaration of Trust provides that an unlimited number of units may be issued.

Issued

		September 30, 2009	December 31, 2008
	Number of Units	Amount	Amount
Class A Trust Units			
Balance at beginning of period	54,171,133	\$ 528,213	\$ 528,213
Exercise of warrants	390,200	398	-
Balance at end of period	54,561,333	\$ 528,611	\$ 528,213

In September 2009, the Fund issued 390,200 Class A Trust Units upon the exercise of Debenture Warrants for total consideration of \$390. The value previously attributed to the Debenture Warrants (Note 11) of \$8, was reallocated to Class A Trust Units at that time.

During the quarter, 6,000,000 options to purchase Class A Trust Units of the Fund were granted under a stock option plan, subject to unitholder and Toronto Stock Exchange approval, pursuant to an employment agreement with the Fund's Chief Executive Officer. These options vest December 1, 2011 and expire December 2013. As the options are subject to unitholder approval, there has been no impact on these financial statements.

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11. WARRANTS

Warrants are recognized in these consolidated financial statements as a separate component of equity. The following warrants were outstanding at September 30, 2009:

	Number of Warrants	Amount	Weighted Average Exercise Price
Debenture Warrants			
Balance at beginning of period	120,000,000	\$ 2,284	\$ 1.00
Exercised	(390,200)	(8)	1.00
	119,609,800	2,276	1.00
Fairfax LC Warrants			
Issued	5,317,100	5,106	0.82
Balance at end of period	124,926,900	\$ 7,382	\$ 0.99

Debenture Warrants

The Debenture Warrants were issued in conjunction with the May 28, 2009 recapitalization transaction (Note 9). The carrying amount of \$2,276 includes the amount initially recognized of \$2,284 and is net of warrants exercised of \$8. Each Debenture Warrant entitles the holder to purchase one Class A Trust Unit, at any time prior to 5:00 p.m. (Eastern time) on May 27, 2014 at a price of \$1.00 per Class A Trust Unit, subject to certain anti-dilution adjustments. As at September 30, 2009, 390,200 Debenture Warrants have been exercised.

Fairfax LC Warrants

On August 24, 2009, the Fund entered into an agreement with Fairfax for a \$25,000 standby letter of credit facility. In conjunction with this transaction, the Fund issued to Fairfax 5,317,100 warrants ("Fairfax LC Warrants") (Note 9). Each Fairfax LC Warrant entitles the holder to purchase one Class A Trust Unit, at any time prior to 5:00 p.m. (Eastern time) on August 24, 2014 at a price of \$0.82 per Class A Trust Unit, subject to certain anti-dilution adjustments. As at September 30, 2009, no Fairfax LC Warrants had been exercised. The fair value of the Fairfax LC Warrants of \$0.96 per warrant was determined at the date of closing of August 24, 2009, using the Black-Scholes option pricing model assuming no expected dividends, a risk-free interest rate of 2.56%, an expected stock price volatility of 52.7%, an expected life of five years, and the Class A Trust Unit closing quoted market price of \$1.50. The resulting total fair value of the Fairfax LC Warrants initially recognized as a component of deferred issuance cost on the Fund's consolidated balance sheet as at September 30, 2009 was \$5,106. The strike price of \$0.82 per warrant was set on August 7, 2009, the date at which an agreement in principle for the Fairfax LC agreement was reached, and was based on the volume weighted average of the trading price of the Class A Trust Units on the TSX for the five trading days immediately prior to August 7, 2009. The Fairfax LC Warrants are subject to a hold period such that these warrants, or any Class A Trust Units issuable upon the exercise of these warrants, may not be traded before December 25, 2009.

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12. DISTRIBUTIONS DECLARED

Distributions were declared each month to the Class A and Class B Unitholders of record on the last business day of each month. Prior to April 2008, distributions were declared quarterly to the Class B Unitholder of record on the last business day of each fiscal quarter.

Effective March 18, 2008, the subordination provisions in respect of the Class B units were terminated. Accordingly, beginning with April 2008, the Class B units became entitled to receive distributions pro rata with the Class A units on a monthly basis.

Upon the termination of the subordination of the Class B units in March, 2008, the Class B units became exchangeable at the option of the holder (William H. Comrie) to Class A units on a one-for-one basis. Effective December 8, 2008, all of the Class B units (11,247,117 units) were exchanged on a one-for-one basis to Class A units. After the conversion, there were 54,171,133 Class A units outstanding.

The determination to declare and make payable distributions from the Fund is, subject to the terms of the Fund's Declaration of Trust, at the discretion of the Board of Trustees of the Fund and, until declared payable by the Board of Trustees of the Fund, the Fund has no contractual requirement to pay cash distributions to unitholders of the Fund.

On November 19, 2008, the Fund reduced monthly distributions from \$0.10 per unit to \$0.05 per unit for all trust units.

On February 18, 2009, the Fund announced that, as a result of continued deterioration economic conditions and uncertainty regarding the 2009 outlook for the retail sector, it had suspended its monthly distribution payments.

Distributions declared and paid during the nine month period ended September 30, 2009, are as follows:

Period	Record Date	Payment Date	Per Unit	Declared Amount	Paid Amount
Class A units					
December 2008	December 31, 2008	January 15, 2009	\$ 0.0500	\$ -	\$ 2,709
January 2009	January 31, 2009	February 15, 2009	0.0500	2,710	2,710
				\$ 2,710	\$ 5,419

For the nine month period ended September 30, 2008, total distributions declared were \$48,753 (\$51,004 paid), comprised of \$38,628 declared and paid on behalf of the Class A Trust Units, and \$10,125 declared (\$12,376 paid) on behalf of the Class B Trust Units.

Declared cash distributions of \$NIL are included in accounts payable and accrued liabilities at September 30, 2009 (December 31, 2008: \$2,709).

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13. RELATED PARTY TRANSACTIONS

Included in selling, general and administrative expenses is rent expense of \$257 and \$770 for the three and nine month periods ended September 30, 2009 respectively (three and nine month periods ended September 30, 2008: \$257 and \$718 respectively), paid to a joint venture partially owned by an officer of the Fund.

In May 2008, certain employees of the Fund became owners of a Brick franchise. During the three and nine month periods ended September 30, 2009, the Fund sold inventory of \$639 and \$1,623 respectively (three and nine month periods ended September 30, 2008: \$779 and \$1,241 respectively) to this franchise.

During 2008, the Fund entered into franchise agreements for six Brick stores with a director serving on the boards of Trans Global Insurance Company, and Trans Global Life Insurance Company. During the three and nine month periods ended September 30, 2009, the Fund sold inventory of \$1,403 and \$3,837 respectively (three and nine month periods ended September 30, 2008: \$NIL) to these franchises. This director resigned from the boards of Trans Global Insurance Company, and Trans Global Life Insurance Company effective May 5, 2009.

The above transactions are in the normal course of operations, and are measured based on commercial rates established and agreed to by the related parties.

Included in accounts receivable at September 30, 2009 is \$100 (December 31, 2008: \$400) for loans made to employees. These loans relate to employee relocation.

In conjunction with the May 28, 2009 recapitalization transaction (Note 9), the Fund issued Debentures and warrants to William H. Comrie ("Comrie"), a resident of the United States, who holds a 39.80% interest in the Fund through 21,561,983 Class A Trust Units, and to Fairfax Financial Holdings Limited ("Fairfax"), which holds 15.47% of all units outstanding, or 8,380,200 Class A Trust Units. Comrie purchased \$18,000 of Debentures and Fairfax purchased \$45,000 of Debentures. Interest on long-term debt for the three and nine month periods ended September 30, 2009 related to the Debentures and payable to Comrie and Fairfax was \$1,822 and \$2,429 respectively. Further, as a result of the recapitalization transaction, Comrie and Fairfax hold 18,000,000 and 45,000,000 warrants respectively.

On August 24, 2009, the Fund entered into an agreement with Fairfax pursuant to which Fairfax issued an irrevocable letter of credit in the aggregate principal amount of \$25,000 (the "Fairfax LC") to GE Capital, as agent on behalf of itself and the Lenders under the May 28, 2009 Asset-Based Credit Facility agreement. In conjunction with this transaction, the Fund paid a fee of \$300 to Fairfax and issued to Fairfax 5,317,100 warrants (Notes 9 and 11).

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14. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	September 30, 2009 (3 months)	September 30, 2008 (3 months)	September 30, 2009 (9 months)	September 30, 2008 (9 months)
Cash provided (used in) by				
Accounts receivable	\$ 2,763	\$ (9,945)	\$ 8,848	\$ (5,728)
Inventory	(12,365)	6,027	39,936	35,985
Prepaid expenses and deposits	(2,067)	597	(2,321)	(859)
Accounts payable and accrued liabilities	26,160	26,851	(78,625)	6,871
Corporate income taxes payable	-	-	-	(81)
Customers' deposits	5,069	(726)	3,358	(7,342)
Unpaid claims reserve	448	(80)	(337)	267
Deferred service revenue	8	(16)	8	(168)
	20,016	22,708	(29,133)	28,945
Lease receivables, long-term portion	267	-	189	-
Accounts payable and accrued liabilities related to distributions	-	-	2,709	2,251
Accounts payable and accrued liabilities related to capital assets	1,809	(202)	7,258	(451)
	\$ 22,092	\$ 22,506	\$ (18,977)	\$ 30,745

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15. FINANCIAL INSTRUMENTS

Classification and Fair Value of Financial Instruments

As at September 30, 2009 and December 31, 2008, the classification of the Fund's financial instruments, as well as their carrying amounts and fair values, are shown in the tables below.

September 30, 2009	Held for Trading (fair value)	Available for Sale (fair value)	Held to Maturity (amortized cost)	Loans and Receivables (amortized cost)	Other Financial Liabilities (amortized cost)	Total Carrying Amount	Fair Value
Financial Assets							
Cash and cash equivalents	\$ 9,692	\$ -	\$ -	\$ -	\$ -	\$ 9,692	\$ 9,692
Accounts receivable	-	-	-	60,768	-	60,768	60,768
Marketable securities	-	17,281	107	-	-	17,388	17,388
Financial Liabilities							
Asset-based credit facility	\$ -	\$ -	\$ -	\$ -	\$ 20,314	\$ 20,314	\$ 20,314
Accounts payable and accrued liabilities	-	-	-	-	172,383	172,383	172,383
Long-term debt	-	-	-	-	111,231	111,231	118,800

December 31, 2008	Held for Trading (fair value)	Available for Sale (fair value)	Held to Maturity (amortized cost)	Loans and Receivables (amortized cost)	Other Financial Liabilities (amortized cost)	Total Carrying Amount	Fair Value
Financial Assets							
Cash and cash equivalents	\$ 14,419	\$ -	\$ -	\$ -	\$ -	\$ 14,419	\$ 14,419
Accounts receivable	-	-	-	69,616	-	69,616	69,616
Marketable securities	-	18,802	110	-	-	18,912	18,912
Financial Liabilities							
Bank indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	-	-	-	-	251,008	251,008	251,008
Long-term debt	-	-	-	-	82,122	82,122	70,588

For the Fund, after considering its own credit risk and the credit risk of counter parties, fair value is equal to carrying value for all its financial instruments other than long-term debt.

As at September 30, 2009, the fair value of the Debentures which comprise long-term debt has been determined using their closing quoted market price on September 30, 2009 of \$99.00 per \$100.00 of face value. For the long-term debt at September 30, 2009, fair value is calculated based on the face value of the Debentures of \$120,000, which differs from their carrying value of \$111,231 (Note 9).

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FINANCIAL INSTRUMENTS (continued)

As at December 31, 2008, the fair value of the senior secured notes which comprise long-term debt was determined using present value techniques commonly used to price such securities, and reflects the yield on a Government of Canada benchmark bond with a similar maturity, plus a credit spread. The credit spread is based on debt with similar risk and other characteristics. The yield used to value the long-term debt at December 31, 2008 was based on a benchmark yield of 1.70% plus a credit spread of 8.50% for an all-in yield of 10.20%.

For the senior secured notes, fair value was calculated based on their aggregate principal amount of \$83,000. This amount differs from the carrying value at December 31, 2008 of \$82,122 which is net of unamortized transaction costs of \$878. The amortization of these transaction costs, using the effective interest method over the term to maturity, has been included in interest on long-term debt in the consolidated statements of (loss) income. The calculation of fair value does not include consideration of amounts that were potentially payable if the senior secured notes were redeemed prior to maturity.

Risk Management

The Fund is exposed to various risks associated with its financial instruments. These risks are categorized as credit risk, liquidity risk, and market risk. The significant risks for the Fund's financial instruments are discussed below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Generally, the carrying amount on the consolidated balance sheet of the Fund's financial assets exposed to credit risk represent the Fund's maximum exposure to credit risk. No additional credit risk disclosure is provided, unless the maximum potential loss exposed to credit risk for certain financial assets differs significantly from their carrying amount. The Fund's main credit risk exposure is from its accounts receivable and cash and cash equivalents. For the Fund, accounts receivable are comprised mainly of amounts related to its commercial sales division, to its franchise operations, and to vendor rebate programs.

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FINANCIAL INSTRUMENTS (continued)

For our commercial accounts receivable, credit risk is mitigated through customer agreements specifying payment terms and credit limits. For our franchise accounts receivable, personal guarantees are obtained. For our net investment in lease receivables, credit risk is mitigated through customer agreements specifying payment terms and credit limits. As well, liens are placed against the goods and the Fund may repossess goods for non-payment. Credit risk is also limited due to the large number of customers and their dispersion across geographic areas, and market sectors (i.e. retail, commercial, and franchise). Accordingly, the Fund believes it has no significant concentrations of credit risk related to its accounts receivable and net investment in lease balances. In addition, accounts receivable and net investment in lease are managed and analyzed on an ongoing basis to control the Fund's exposure to bad debts.

During the three and nine month periods ended September 30, 2009, the Fund recorded an expense for bad debts of \$718 and \$1,347 respectively (three and nine month periods ended September 30, 2008: \$310 and \$1,076 respectively). The accounts receivable balance includes \$5,031 that is past due for more than 60 days as at September 30, 2009 (December 31, 2008: \$3,561). The Fund's allowance for doubtful accounts, established through on-going monitoring of the accounts, was \$1,192 as at September 30, 2009 (December 31, 2008: \$919).

At September 30, 2009, there are no financial assets that the Fund deems to be impaired or that are past due according to their terms and conditions, for which allowances have not been recorded.

The majority of the Fund's retail sales are funded through cash, traditional credit cards and private label credit cards carried on a non-recourse basis by third parties. Accordingly, fluctuations in the availability and cost of credit may have an impact on the Funds retail sales.

The Fund manages credit risk for its cash and cash equivalents by maintaining bank accounts with major Canadian banks and investing only in highly rated Canadian and U.S. securities that are traded on active markets and are capable of prompt liquidation.

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FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity risk management is to maintain sufficient amounts of cash and cash equivalents, and authorized credit facilities, to fulfill obligations associated with financial liabilities. To manage liquidity risk, the Fund prepares budgets and cash forecasts, and monitors its performance against these. Management also monitors cash and working capital efficiency given current sales levels and seasonal variability. The financial services segment contributes a steady cash flow and provides a balance to the seasonal nature of the retail segment operations.

The Fund's accounts payable and accrued liabilities are all current and due within 75 days of the balance sheet date. The Fund's long-term debt is due May 30, 2014.

On February 18, 2009, the Fund announced that, as a result of continued deterioration in economic conditions and uncertainty regarding the 2009 outlook for the retail sector, it had suspended its monthly distribution payments.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is exposed to cash flow risk on its floating-rate Asset-Based Credit Facility due to fluctuations in interest rates.

As well, the Fund's revenues depend, in part, on supplying financing alternatives to its customers through third party credit providers. The terms of these financing alternatives are affected by changes in interest rates. Therefore, interest rate fluctuations may impact the Fund's financing costs for retail sales financed using these alternatives, and may also impact the Fund's revenues where customers' buying decisions are impacted by their ability or desire to use these financing alternatives.

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FINANCIAL INSTRUMENTS (continued)

Hedge accounting

During the first quarter of 2007, in conjunction with an anticipated transaction which was the private placement of senior secured notes with an aggregate principal amount of \$83,000 (Note 9), the Fund entered into a bond forward contract to hedge its exposure to changes in the market interest rate.

This hedge has been accounted for as a cash flow hedge. The loss resulting upon settlement of the bond forward contract had been recorded in other comprehensive (loss) income and was being reclassified to net income over the life of the senior secured notes and included in interest expense on long-term debt. The senior secured notes would have matured on March 14, 2014.

In conjunction with the May 28, 2009 recapitalization transaction, the senior secured notes were repaid prior to their maturity. Consequently, the balance of the bond forward settlement amount remaining in accumulated other comprehensive (loss) income of \$554 had been reclassified to net income and was included in interest expense on long-term debt in the second quarter of 2009 (three month period ended September 30, 2008: other comprehensive income of \$28 comprised of a reclassification of loss to net income of \$28).

For the nine month period ended September 30, 2009, other comprehensive income arising from this cash flow hedge was \$581 comprised of a reclassification of loss to net income of \$27 due to amortization of the loss resulting upon the settlement of the bond forward contract, and a reclassification to net income of \$554 due to repayment of the senior secured notes prior to their maturity (nine month period ended September 30, 2008: other comprehensive income of \$84 comprised of a reclassification of loss to net income of \$84).

Sensitivity of bank indebtedness and asset-based credit facility to interest rates

Net income is sensitive to the impact of a change in interest rates on the average indebtedness under the Asset-Based Credit Facility or, prior to May 28, 2009, the Credit Facilities, during a period. For the three month and nine month periods ended September 30, 2009, the Fund's average indebtedness was \$30,978 and \$38,312 respectively. Accordingly, a difference during the period of one percentage point in the applicable interest rate would have impacted consolidated net income (loss) for the three month and nine month periods by \$77 and \$287 respectively.

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FINANCIAL INSTRUMENTS (continued)

Currency risk

The Fund is exposed to foreign currency fluctuations to the extent that approximately 18 to 22% of inventory purchases are made in U.S. dollar prices. This risk is mitigated to the extent that increases in product costs due to foreign currency fluctuations can be offset by adjustments to retail prices. Accordingly, the Fund does not believe it has significant foreign currency risk with respect to its inventory purchases made in U.S. dollar prices.

From time to time, the Fund enters into forward foreign exchange contracts in U.S. dollars. These forward contracts are used to minimize a portion of the risk associated with future purchases of foreign currency denominated goods and services with an emphasis on those purchases that are expected to be completed the following month. These derivative contracts, not accounted for as hedges, are marked to market, and any changes in the market value are recorded in income or expense when the changes occur. The fair values of these instruments are recorded in accounts payable and accrued liabilities or accounts receivable.

As at September 30, 2009 and December 31, 2008, no foreign exchange contracts were outstanding.

The Fund is also exposed to foreign currency fluctuations to the extent it has invested in marketable securities denominated in a foreign currency. Certain exchange traded funds (“ETFs”) held in the Fund’s portfolio of marketable securities are denominated in U.S. dollars and therefore have exposure to currency fluctuations. The carrying amount of ETFs denominated in U.S. dollars at September 30, 2009 was \$286 (December 31, 2008: \$240).

Other price risk

The Fund is exposed to fluctuations in the market prices of its marketable securities that are classified as available for sale. Changes in the fair value of marketable securities classified as available for sale are recorded, net of income taxes, in other comprehensive income (loss). This risk is managed by the Fund’s investment policies.

The Fund is exposed to fair value risk on the long-term debt, due to fluctuations in market prices for the Debentures. Changes in the fair value of the Debentures do not impact the Fund’s results of operations, its financial position, or its cash flows.

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FINANCIAL INSTRUMENTS (continued)

Preferred shares

The fair value of the Fund's portfolio of preferred shares is exposed to fluctuations in market prices and also to changes in interest rates. Generally, because the preferred shares held by the Fund pay a fixed dividend, the market price of these shares varies inversely with changes in market interest rates. Market prices for preferred shares with call dates further in the future will generally be more sensitive to interest rate changes. The preferred shares' next call dates are as follows:

	<u>1 - 3 Years</u>	<u>4 - 6 Years</u>	<u>> 6 Years</u>	<u>Total</u>
Amortized cost	\$ 10,805	\$ 3,704	\$ 30	\$ 14,539
Unamortized premium	(16)	(30)	-	(46)
Redemption amount	\$ 10,789	\$ 3,674	\$ 30	\$ 14,493

Common shares

Historically, the beta of the Fund's portfolio of common shares has been close to 1.00. Beta is a commonly used measure of the volatility of a portfolio in relation to the rest of the financial market. Accordingly, changes in the fair value of the Fund's common share portfolio could reasonably be expected to track closely changes in the Toronto Stock Exchange ("TSX") S&P TSE 60 Total Return Index, such that a 5% change in this index is likely to result in a 5% change in the fair value of this portfolio. The beta of our common stock portfolio at September 30, 2009 was 0.81.

Trust units and exchange traded funds

The fair value of the Fund's portfolio of trust units and ETFs is exposed to fluctuations in market prices for these securities and can reasonably be expected to follow the fluctuations of general level of market prices for similar securities.

The Fund's investments in marketable securities are disclosed in Note 5.

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16. SEGMENTED INFORMATION

The Fund's reportable segments are strategic business units that offer different products and services. The Fund has two operating segments: Retail and Financial Services.

The Fund operates retail stores concentrating on the sales of furniture, mattresses, appliances and electronics. Retail customers are offered credit through the Brick Card which is funded and billed by unrelated external service providers.

Financial Services are primarily engaged in providing extended warranty services on products sold to customers of The Brick and credit insurance on balances that arise from customers' use of their Brick Card. Credit balances are insured against the cardholder's loss of life, property or source of income, thereby providing protection to many customers who do not carry other similar insurance policies. The Financial Services segment is economically dependant on the retail segment as the majority of its revenues are derived from sales to customers of the retail segment. The Financial Services segment also offers property and credit insurance products to third parties.

The reportable segments reflect the basis on which management measures performance and makes decisions regarding the allocation of resources.

The accounting policies of the segments are the same as those described in the annual consolidated financial statements for the year ended December 31, 2008 and in Note 3.

All inter-company transactions and balances, including inter-company revenues of \$2,789 and \$7,797 for the three and nine month period ended September 30, 2009 (\$3,157 and \$9,219 for the three and nine month periods ended September 30, 2008) have been appropriately eliminated.

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SEGMENTED INFORMATION (continued)

	September 30, 2009 (3 months)			
	Retail	Financial Services	Intersegment Eliminations	Consolidated
External sales and operating revenue	\$ 316,307	\$ 18,573	\$ -	\$ 334,880
Intersegment revenues	2,167	622	(2,789)	-
Total sales and operating revenue	318,474	19,195	(2,789)	334,880
Cost of sales	191,543	12,216	(5,372)	198,387
Gross margin	126,931	6,979	2,583	136,493
Selling, general and administrative expenses	120,461	538	3,542	124,541
Investment and other income	2,566	1,110	(3,563)	113
Intersegment license fee income (expense) (1)	5,106	(5,106)	-	-
EBITDA*	14,142	2,445	(4,522)	12,065
Interest expense	5,607	2,478	(3,564)	4,521
Amortization of deferred issuance costs (Note 9)	1,160	-	-	1,160
Amortization of capital assets (Note 6)	5,275	-	-	5,275
Amortization of intangible assets and deferred charges (Note 8)	1,048	-	-	1,048
Income (loss) before income taxes	1,052	(33)	(958)	61
Income tax recovery (expense)	512	(108)	-	404
Net income (loss) (2)	1,564	(141)	(958)	465
Total intersegment eliminations impacting net (loss) income	(9,512)	8,554	958	-
Net (loss) income - consolidated	\$ (7,948)	\$ 8,413	\$ -	\$ 465
EBITDA*	\$ 14,142	\$ 2,445	\$ (4,522)	\$ 12,065
Total intersegment eliminations impacting EBITDA	(10,618)	6,096	4,522	-
Consolidated EBITDA*	\$ 3,524	\$ 8,541	\$ -	\$ 12,065
OTHER INFORMATION				
Interest income	\$ 132	\$ 7	\$ -	\$ 139
Goodwill	\$ -	\$ -	\$ -	\$ -
Total assets	\$ 437,718	\$ 48,592	\$ -	\$ 486,310
Capital expenditures	\$ 787	\$ -	\$ -	\$ 787
Amortization of deferred warranty revenue	\$ -	\$ 12,568	\$ -	\$ 12,568
Amortization of deferred acquisition costs	\$ -	\$ 2,348	\$ -	\$ 2,348

(1) Intersegment license fees of \$5,106 are charged by the Retail segment to Financial Services segment for the right to offer warranty and insurance products to customers of the Retail segment. These license fees are in the normal course of business and are recorded at the exchange amounts established by the license fee agreements, which reflect market rates.

(2) Intersegment eliminations affecting net income do not offset as commissions paid in the Retail segment on the sale of warranty products are capitalized as deferred acquisition costs in the Financial Services segment, and charged to earnings over the term of the warranty contract period.

* References to "EBITDA" are to earnings before interest, income taxes, amortization and non-cash asset impairment charges. EBITDA is not an earnings measure recognized by GAAP, and does not have a standardized meaning prescribed by GAAP, and therefore, may not be comparable to similar measures presented by other issuers. Users of these consolidated financial statements are cautioned that EBITDA should not be construed as an alternative to net income as determined in accordance with GAAP as an indicator of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows.

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SEGMENTED INFORMATION (continued)

	September 30, 2008 (3 months)			
	Retail	Financial Services	Intersegment Eliminations	Consolidated
External sales and operating revenue	\$ 365,008	\$ 15,753	\$ -	\$ 380,761
Intersegment revenues	2,398	759	(3,157)	-
Total sales and operating revenue	367,406	16,512	(3,157)	380,761
Cost of sales	221,502	9,599	(3,956)	227,145
Gross margin	145,904	6,913	799	153,616
Selling, general and administrative expenses	131,157	620	1,476	133,253
Investment and other income	2,500	1,212	(3,468)	244
Intersegment license fee income (expense) (1)	5,367	(5,367)	-	-
EBITDA*	22,614	2,138	(4,145)	20,607
Interest expense	3,339	2,458	(3,469)	2,328
Amortization of deferred issuance costs (Note 9)	-	-	-	-
Amortization of capital assets (Note 6)	5,272	1	-	5,273
Amortization of intangible assets and deferred charges (Note 8)	1,061	-	-	1,061
Income (loss) before income taxes	12,942	(321)	(676)	11,945
Income tax (expense) recovery	1,343	(186)	-	1,157
Net income (loss) (2)	14,285	(507)	(676)	13,102
Total intersegment eliminations impacting net (loss) income	(8,850)	8,174	676	-
Net income (loss) - consolidated	\$ 5,435	\$ 7,667	\$ -	\$ 13,102
EBITDA*	\$ 22,614	\$ 2,138	\$ (4,145)	\$ 20,607
Total intersegment eliminations impacting EBITDA	(9,861)	5,716	4,145	-
Consolidated EBITDA*	\$ 12,752	\$ 7,855	\$ -	\$ 20,607
OTHER INFORMATION				
Interest income	\$ 85	\$ 20	\$ -	\$ 105
Goodwill	\$ 305,349	\$ -	\$ -	\$ 305,349
Total assets	\$ 877,002	\$ 52,014	\$ -	\$ 929,016
Capital expenditures	\$ 10,924	\$ -	\$ -	\$ 10,924
Amortization of deferred warranty revenue	\$ -	\$ 9,896	\$ -	\$ 9,896
Amortization of deferred acquisition costs	\$ -	\$ 1,708	\$ -	\$ 1,708

- (1) Intersegment license fees of \$5,367 are charged by the Retail segment to Financial Services segment for the right to offer warranty and insurance products to customers of the Retail segment. These license fees are in the normal course of business and are recorded at the exchange amounts established by the license fee agreements, which reflect market rates.
- (2) Intersegment eliminations affecting net income do not offset as commissions paid in the Retail segment on the sale of warranty products are capitalized as deferred acquisition costs in the Financial Services segment, and charged to earnings over the term of the warranty contract period.

* References to "EBITDA" are to earnings before interest, income taxes, amortization and non-cash asset impairment charges. EBITDA is not an earnings measure recognized by GAAP, and does not have a standardized meaning prescribed by GAAP, and therefore, may not be comparable to similar measures presented by other issuers. Users of these consolidated financial statements are cautioned that EBITDA should not be construed as an alternative to net income as determined in accordance with GAAP as an indicator of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows.

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SEGMENTED INFORMATION (continued)

	September 30, 2009 (9 months)			
	Retail	Financial Services	Intersegment Eliminations	Consolidated
External sales and operating revenue	\$ 808,021	\$ 54,132	\$ -	\$ 862,153
Intersegment revenues	5,824	1,973	(7,797)	-
Total sales and operating revenue	813,845	56,105	(7,797)	862,153
Cost of sales	492,495	34,335	(15,761)	511,069
Gross margin	321,350	21,770	7,964	351,084
Selling, general and administrative expenses	338,166	1,633	9,768	349,567
Investment and other income	7,610	3,426	(10,574)	462
Intersegment license fee income (expense) (1)	15,362	(15,362)	-	-
EBITDA*	6,156	8,201	(12,378)	1,979
Interest expense	13,782	7,361	(10,574)	10,569
Amortization of deferred issuance costs (Note 9)	1,160	-	-	1,160
Amortization of capital assets (Note 6)	18,633	1	-	18,634
Amortization of intangible assets and deferred charges (Note 8)	3,436	-	-	3,436
Loss on extinguishment of debt (Notes 8 & 9)	3,046	-	-	3,046
Intangible asset impairment (Note 7)	158,459	-	-	158,459
(Loss) income before income taxes	(192,360)	839	(1,804)	(193,325)
Income tax recovery (expense)	18,144	(72)	-	18,072
Net (loss) income (2)	(174,216)	767	(1,804)	(175,253)
Total intersegment eliminations impacting net (loss) income	(27,281)	25,477	1,804	-
Net (loss) income - consolidated	\$ (201,497)	\$ 26,244	\$ -	\$ (175,253)
EBITDA*	\$ 6,156	\$ 8,201	\$ (12,378)	\$ 1,979
Total intersegment eliminations impacting EBITDA	(30,562)	18,184	12,378	-
Consolidated EBITDA*	\$ (24,406)	\$ 26,385	\$ -	\$ 1,979

OTHER INFORMATION

Interest income	\$ 400	\$ 30	\$ -	\$ 430
Goodwill	\$ -	\$ -	\$ -	\$ -
Total assets	\$ 437,718	\$ 48,592	\$ -	\$ 486,310
Capital expenditures	\$ 10,172	\$ 1	\$ -	\$ 10,173
Amortization of deferred warranty revenue	\$ -	\$ 36,608	\$ -	\$ 36,608
Amortization of deferred acquisition costs	\$ -	\$ 6,780	\$ -	\$ 6,780

(1) Intersegment license fees of \$15,362 are charged by the Retail segment to Financial Services segment for the right to offer warranty and insurance products to customers of the Retail segment. These license fees are in the normal course of business and are recorded at the exchange amounts established by the license fee agreements, which reflect market rates.

(2) Intersegment eliminations affecting net income do not offset as commissions paid in the Retail segment on the sale of warranty products are capitalized as deferred acquisition costs in the Financial Services segment, and charged to earnings over the term of the warranty contract period.

* References to "EBITDA" are to earnings before interest, income taxes, amortization and non-cash asset impairment charges. EBITDA is not an earnings measure recognized by GAAP, and does not have a standardized meaning prescribed by GAAP, and therefore, may not be comparable to similar measures presented by other issuers. Users of these consolidated financial statements are cautioned that EBITDA should not be construed as an alternative to net income as determined in accordance with GAAP as an indicator of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows.

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SEGMENTED INFORMATION (continued)

	September 30, 2008 (9 months)			
	Retail	Financial Services	Intersegment Eliminations	Consolidated
External sales and operating revenue	\$ 1,016,787	\$ 45,120	\$ -	\$ 1,061,907
Intersegment revenues	6,828	2,391	(9,219)	-
Total sales and operating revenue	1,023,615	47,511	(9,219)	1,061,907
Cost of sales	610,549	27,178	(11,247)	626,480
Gross margin	413,066	20,333	2,028	435,427
Selling, general and administrative expenses	380,537	1,796	4,140	386,473
Investment and other income	7,509	3,609	(10,304)	814
Intersegment license fee income (expense) (1)	16,612	(16,612)	-	-
EBITDA*	56,650	5,534	(12,416)	49,768
Interest expense	9,940	7,293	(10,305)	6,928
Amortization of deferred issuance costs (Note 9)	-	-	-	-
Amortization of capital assets (Note 6)	15,951	3	-	15,954
Amortization of intangible assets and deferred charges (Note 8)	3,277	-	-	3,277
Loss on extinguishment of debt (Notes 8 & 9)	-	-	-	-
Intangible asset impairment	-	-	-	-
Income (loss) before income taxes	27,482	(1,762)	(2,111)	23,609
Income tax recovery	1,323	96	-	1,419
Net income (loss) (2)	28,805	(1,666)	(2,111)	25,028
Total intersegment eliminations impacting net (loss) income	(26,641)	24,530	2,111	-
Net income - consolidated	\$ 2,164	\$ 22,864	\$ -	\$ 25,028
EBITDA*	\$ 56,650	\$ 5,534	\$ (12,416)	\$ 49,768
Total intersegment eliminations impacting EBITDA	(29,652)	17,236	12,416	-
Consolidated EBITDA*	\$ 26,998	\$ 22,770	\$ -	\$ 49,768

OTHER INFORMATION

Interest income	\$ 163	\$ 115	\$ -	\$ 278
Goodwill	\$ 305,349	\$ -	\$ -	\$ 305,349
Total assets	\$ 877,002	\$ 52,014	\$ -	\$ 929,016
Capital expenditures	\$ 21,925	\$ -	\$ -	\$ 21,925
Amortization of deferred warranty revenue	\$ -	\$ 27,857	\$ -	\$ 27,857
Amortization of deferred acquisition costs	\$ -	\$ 4,689	\$ -	\$ 4,689

(1) Intersegment license fees of \$16,612 are charged by the Retail segment to Financial Services segment for the right to offer warranty and insurance products to customers of the Retail segment. These license fees are in the normal course of business and are recorded at the exchange amounts established by the license fee agreements, which reflect market rates.

(2) Intersegment eliminations affecting net income do not offset as commissions paid in the Retail segment on the sale of warranty products are capitalized as deferred acquisition costs in the Financial Services segment, and charged to earnings over the term of the warranty contract period.

* References to "EBITDA" are to earnings before interest, income taxes, amortization and non-cash asset impairment charges. EBITDA is not an earnings measure recognized by GAAP, and does not have a standardized meaning prescribed by GAAP, and therefore, may not be comparable to similar measures presented by other issuers. Users of these consolidated financial statements are cautioned that EBITDA should not be construed as an alternative to net income as determined in accordance with GAAP as an indicator of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
(thousands of Canadian dollars except unit, warrant and per unit amounts)
(unaudited)

17. CAPITAL

The Fund's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide distributions to its unitholders and benefits for other stakeholders;
- to maximize returns from capital investments so as to reinstate the Fund's capacity to make distributions; and
- to maintain a capital structure that supports keeping capital costs to a minimum.

For the Fund, capital includes unitholders' equity, long-term debt, and credit facility indebtedness offset by cash and cash equivalents.

	September 30, 2009	December 31, 2008
Long-term debt	\$ 111,231	\$ 82,122
Asset-based credit facility	20,314	-
Cash and cash equivalents	(9,692)	(14,419)
Net debt	121,853	67,703
Unitholders' equity	(33,484)	134,551
Total capital	\$ 88,369	\$ 202,254

Prior to March 2009, the Fund's Distribution Committee held regular monthly meetings to review distributions in light of actual and forecast results. Subsequent to the suspension of distributions announced on February 18, 2009, the Distribution Committee was dissolved. The Fund meets its objectives for managing capital through both the strategic long-term planning, and annual budgeting processes, and the related capital allocation and capital spend postaudit processes, to ensure returns from capital investments are adequate to either maintain, or grow, the Fund's capacity to make distributions.

The Fund manages the capital structure and may make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units, and increase or reduce debt.

The Fund is not subject to any financial covenants. The Debentures (Note 9) have customary negative covenants include restrictions regarding encumbrance of assets and sale of assets, and limitations on mergers, amalgamations, investments, and on the Fund's ability to make distribution payments.

The Brick Group Income Fund
Notes to the Interim Consolidated Financial Statements
(thousands of Canadian dollars except unit, warrant and per unit amounts)
(unaudited)

CAPITAL (continued)

The Fund in its current form is expected to qualify as a Specified Investment Flow-Through Entity and certain income of, and distributions by, the Fund will become taxable beginning in 2011. This may result in future changes to the capital structure, or the legal form, of the Fund.

The Fund is not subject to any externally imposed capital requirements, other than with respect to its insurance subsidiaries.

Restriction on the Distribution of Capital from Trans Global Insurance Company and Trans Global Life Insurance Company

For purposes of regulatory requirements for TGI and TGLI, capital is considered to be equivalent to their balance sheet equity. Regulatory requirements stipulate that the TGI must maintain minimum capital of at least \$3,000, and TGLI must maintain minimum capital of at least \$5,000. Further, regulators also expect that capital will not fall below the initial capital amount at the companies' inception, which was \$5,000 for TGI and \$6,000 for TGLI. Should the companies' capital fall below the initial capital amount, the regulator may impose additional reporting requirements and may subject the companies to regulatory review. TGI and TGLI had capital in excess of their regulatory minimum capital requirements, and their initial capital amounts at September 30, 2009 and December 31, 2008.

18. COMMITMENTS

At September 30, 2009, the Fund had outstanding standby letters of credit of \$24,332 issued to suppliers of the Fund. No amounts have been drawn on any of these standby letters of credit.

19. SEASONAL NATURE OF THE BUSINESS

The Fund's results for any quarter are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in sales levels. The Fund's subsidiaries historically experience a higher level of sales during the third and fourth quarters, while the first and second quarters experience lower sales levels due to seasonal shopping patterns. Occupancy-related expenses, certain general and administrative expenses, depreciation and amortization, and interest expense remain relatively steady throughout the year.

20. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation.