

AMALGAMATED INCOME LIMITED PARTNERSHIP
(A Limited Partnership)

Consolidated Financial Statements

March 31, 2010

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim consolidated financial statements have been prepared by management.

The Partnership's independent auditors have not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Amalgamated Income Limited Partnership
Balance Sheets
(consolidated)

	March 31	December 31
	2010	2009
	\$	\$
	<i>(unaudited)</i>	<i>(audited)</i>
ASSETS		
Cash and cash equivalents	10,526,999	5,868,711
Distributions receivable	16,111	163,240
Investments, at fair value <i>(Note 4)</i>	1,040,341	6,200,523
	11,583,451	12,232,474
LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 8)</i>	52,660	111,368
Distributions payable	350,102	349,382
	402,762	460,750
PARTNERS' EQUITY		
Limited partners	11,066,021	11,663,438
Contributed surplus	114,668	108,286
	11,180,689	11,771,724
	11,583,451	12,232,474

Going concern *(Note 1)*

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

APPROVED ON BEHALF OF THE LIMITED PARTNERSHIP
BY THE DIRECTORS OF AMALGAMATED GENERAL PARTNER LTD.

"Elias Foscolos"

Elias Foscolos, Director

"Michael Charlton"

Michael Charlton, Director

Amalgamated Income Limited Partnership
Income Statements
(consolidated)

	Three Months Ended March 31	
	2010	2009
	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>
INVESTMENT REVENUES		
Distributions from:		
Financial Services	4,908	133,628
Mutual Fund Limited Partnerships and Notes	4,035	33,908
Marketable Securities	2,381	122,094
	<u>11,324</u>	<u>289,630</u>
EXPENSES		
Management and director fees <i>(Note 8)</i>	68,286	80,918
Accounting, legal and transfer fees	55,197	50,300
Regulatory	29,730	36,032
Office and sundry <i>(Note 8)</i>	17,478	26,832
Unit-based compensation	6,382	35,829
Interest expense	-	7,823
	<u>177,073</u>	<u>237,734</u>
NET INVESTMENT INCOME	<u>(165,749)</u>	<u>51,896</u>
OTHER ADDITIONS (DEDUCTIONS)		
Amortization of Mutual Fund Limited Partnerships and Notes	19,620	423,563
Realized gain (loss) on sale of Mutual Fund LPs and Notes	(351)	(480,256)
Unrealized gain (loss) in value of Financial Services	(161,081)	-
Realized gain (loss) on Financial Services	(50,000)	-
Unrealized gain (loss) in value of Marketable Securities	(32,239)	879,793
Realized gain (loss) on sale of Marketable Securities	(3,212)	(851,538)
Unrealized gain (loss) in value of Real Estate Limited Partnerships	(581,418)	-
Realized gain (loss) on sale of Real Estate Limited Partnerships	944,604	9,322
General Partner fees <i>(Note 8)</i>	(18,496)	(20,534)
	<u>117,427</u>	<u>(39,650)</u>
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>(48,322)</u>	<u>12,246</u>
WEIGHTED AVERAGE UNITS OUTSTANDING	<u>3,161,662</u>	<u>3,183,950</u>
BASIC AND DILUTED NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD PER UNIT	<u>\$ (0.02)</u>	<u>\$ 0.00</u>

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

Amalgamated Income Limited Partnership
Statement of Partners' Capital
(consolidated)

	General Partner	Limited Partners	Three Months Ended	
			2010	2009
	\$	\$	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
PARTNERS' CAPITAL, Beginning of Period	-	11,663,438	11,663,438	12,729,489
NET (LOSS) INCOME	-	(48,322)	(48,322)	12,246
PARTNER TRANSACTIONS				
Distributions to limited partners	-	(569,099)	(569,099)	(576,411)
Proceeds from exercise of incentive units	-	20,004	20,004	45,570
Repurchases under Normal Course Issuer Bid	-	-	-	(65,730)
	-	(597,417)	(597,417)	(584,325)
PARTNERS' CAPITAL, End of Period	-	11,066,021	11,066,021	12,145,164

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

Amalgamated Income Limited Partnership
Statement of Cash Flows
(consolidated)

	Three Months Ended	
	March 31	
	2010	2009
	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Net investment income	(165,749)	51,896
Unit-based compensation	6,382	35,829
General partner fees	(18,496)	(20,534)
	<u>(177,863)</u>	67,191
Proceeds on sale/repayment of:		
Real Estate Limited Partnerships	4,225,000	9,322
Mutual Fund Limited Partnerships and Notes	180,000	132,211
Financial Services	533,878	1,253,647
Marketable Securities	2,600,161	4,491,044
Acquisition of:		
Marketable Securities	(1,418,075)	(2,916,103)
Financial Services	-	(1,170,663)
Real Estate Limited Partnerships	(824,795)	-
Net change in non-cash working capital items	89,077	350,065
	<u>5,207,383</u>	2,216,714
CASH FLOW FROM FINANCING ACTIVITIES		
Distributions to limited partners	(569,099)	(576,411)
Proceeds from exercise of incentive units <i>(Note 6)</i>	20,004	45,570
Repayment of debentures	-	(370,000)
Repurchases under Normal Course Issuer Bid	-	(65,730)
	<u>(549,095)</u>	<u>(966,571)</u>
Increase (decrease) in cash and cash equivalents for the period	4,658,288	1,250,143
Cash and cash equivalents, beginning of period	5,868,711	2,936,357
Cash and cash equivalents, end of period	10,526,999	4,186,500
SUPPLEMENTARY INFORMATION		
Interest paid	-	7,823
Cash and Cash Equivalents made up of:		
Balances with banks and brokerages held directly	5,380,865	4,137,841
Balances with banks held by subsidiaries	5,146,134	48,659
	<u>10,526,999</u>	<u>4,186,500</u>

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

AMALGAMATED INCOME LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2010

1. ORGANIZATION OF THE PARTNERSHIP AND GOING CONCERN

Amalgamated Income Limited Partnership ("Amalgamated" or the "Partnership") is a limited partnership registered under the Partnership Act (British Columbia) on November 18, 1994. The business of the Partnership consisted of investing in and acquiring income generating securities, assets or businesses and holding, managing, reorganizing and disposing of such investments with a view to making a profit. Amalgamated General Partner Ltd. (the "General Partner"), a corporation incorporated under the laws of the province of British Columbia, is responsible for the management of the Partnership on a day-to-day basis in accordance with the terms of the partnership agreement. The General Partner may engage agents to assist in carrying out its management obligations to the Partnership. For the services rendered by the General Partner, the General Partner is entitled to 0.01% of the annual net income of the Partnership and an annual fee equal to 3.25% of all distributions. In addition, the General Partner is entitled to be reimbursed by the Partnership for all direct costs and expenses incurred on the Partnership's behalf. Amalgamated was listed on the Montreal Stock Exchange from October 2, 1995 to December 5, 1999 and thereafter was listed on the Toronto Stock Exchange (AI.UN-TSX).

As a result of a meeting of limited partners on June 19, 2009 a termination date of the Partnership was approved for December 15, 2010. Management estimates that future obligations associated with the wind-up and dissolution of Amalgamated to be approximately \$850,000 to \$1,000,000 for the period from March 31, 2010 to the final wind-up date of December 15, 2010. These amounts have not been accrued for in the consolidated financial statements but will be recorded as incurred. Management believes that the consolidated financial statements have been prepared within reasonable limits of materiality and within the framework of accounting policies summarized below, which were applied for the three months ended March 31, 2010. These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will realize the carrying value of its investments upon wind-up and satisfy its obligations as they become due in the normal course of operations. The application of the going concern concept is dependent on the Company's ability to realize the net realizable value of the remaining investments. A failure to continue as a going concern would then require that stated amounts of assets and liabilities be reflected on a liquidation basis which could differ significantly from the going concern basis. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities were the Company unable to continue its operations.

Management of Amalgamated is working to sell the Partnership's remaining assets on an orderly basis and distribute the cash or provide in-kind distributions of the remaining assets prior to December 15, 2010. The final net realizable amount will depend on various factors including the performance of the Partnership's investments and the level of distributions between March 31, 2010 and the final distribution date. Management estimates that any income earned between March 31, 2010 and the final distribution date will not be sufficient to cover general and administrative expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") for interim consolidated financial statements. The accounting principles and methods of computation adopted in these financial statements are the same as those of the audited financial statements for the year ended December 31, 2009. However, these interim consolidated financial statements do not include all information and footnote disclosures required under Canadian GAAP for annual financial statements. Accordingly, these unaudited consolidated interim financial statements should be read in conjunction with the audited financial statements and notes thereto, for the year ended December 31, 2009.

The consolidated financial statements of the Partnership include the accounts of Amalgamated and its two wholly owned subsidiaries: Multi-fund Income Trust ("Multi-fund") and Quick Draw Mortgages Ltd. ("Quick Draw").

AMALGAMATED INCOME LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2010

3. DISTRIBUTIONS TO LIMITED PARTNERS

The Partnership has historically paid distributions on a monthly basis to its limited partners. Unlike income trusts, distributions from the Partnership do not form the basis on which the limited partners are taxed. The income or loss from the Partnership is allocated based on the limited partners of record on December 31 which is independent from the payment of distributions during the year. Therefore, it is very likely that the taxable income to be reported by a limited partner will be different from the amount of cash distributions received, and limited partners of record on December 31 or the termination date will receive an allocation of income.

4. INVESTMENTS

A breakdown of the Partnership's investments is as follows:

	March 31, 2010		December 31, 2009	
	Average Cost \$	Fair Value \$	Average Cost \$	Fair Value \$
Marketable Securities	395,646	176,805	1,580,880	1,394,277
Financial Services	783,737	622,655	1,854,115	1,367,615
Mutual Fund Limited Partnerships and Notes	N/A	129,629	N/A	290,360
Real Estate Limited Partnerships	(53,955)	111,252	2,401,647	3,148,271
Total Investments	N/A	1,040,341	N/A	6,200,523

5. LIMITED PARTNERSHIP UNITS

The capital of the Partnership is composed of a single class of Limited Partnership Units ("Units") with the following characteristics:

- (a) The amount contributed or deemed to be contributed to the capital of the Limited Partnership as consideration for the issuance of Units is the sum or sums determined by the General Partner from time to time;
- (b) The number of authorized Limited Partnership Units is unlimited but subject to regulatory approval; and
- (c) Each unit shall have one vote at any meeting of partners.

A summary of the changes in limited partnership units outstanding is as follows:

	Three Months Ended March 31	
	2010	2009
Beginning of period	3,153,662	3,178,062
Repurchases under Normal Course Issuer Bid	-	(27,700)
Exercise of incentive units	12,000	21,000
End of period	3,165,662	3,171,362

AMALGAMATED INCOME LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2010

6. LIMITED PARTNERSHIP UNIT INCENTIVE PLAN

A summary of the changes in incentive units outstanding under the Incentive Plan is as follows:

	Three Months Ended March 31		Three Months Ended March 31	
	2010		2009	
	Number of	Weighted	Number of	Weighted
	Units	Average	Units	Average
		Exercise		Exercise
		Price		Price
		\$		\$
Beginning of period	246,300	6.18	277,300	6.18
Granted	-	-	39,000	2.17
Exercised	(12,000)	1.67	(21,000)	2.17
Expired	(62,000)	6.89		
Forfeited	(36,000)	5.56	(49,000)	5.89
End of period	136,300	5.89	246,300	5.91
Exercisable, end of period	86,300	5.93	165,900	5.97

Of the 136,300 incentive units outstanding as of March 31, 2010, 15,000 units will expire in January 2011, 41,300 units in October 2012 and 80,000 units in January 2013. The weighted average contractual life remaining on the option contracts was 2 years 186 days as at March 31, 2010

7. CAPITAL MANAGEMENT

The Partnership's objective is to maintain access to diverse and cost-effective sources of capital with which to finance its investment program. The Partnership maintains a capital structure of permanent equity and lower cost debt (brokerage margin).

The Partnership's credit facilities (brokerage margin and debentures) include customary positive and negative covenants that can be categorized as externally imposed capital requirements. As at March 31, 2010, the Partnership was in compliance with all its obligations under its credit facilities.

As at March 31, 2010, total capital consisted of partners' equity of \$11,180,689 and no debt.

AMALGAMATED INCOME LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2010

8. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2010, the following related party transactions occurred and are recorded at the exchange amount which is the amount of consideration paid or received as established and agreed to by related parties:

- Amalgamated General Partner Ltd. (the "General Partner"), a company owned by Messrs. Elias Foscolos, Bruce Mitchell, and Michael Charlton was paid at total of \$18,496 (\$20,534 for the three months ended March 31, 2009) pursuant to the terms of its agreement with Amalgamated to act as a general partner. Under this agreement, the General Partner is entitled to 0.01% of the annual net income of the Partnership and a fee equal to 3.25% of distributions to limited partners. In addition, the General Partner may engage agents to assist in carrying out its management and administrative functions to Amalgamated and its subsidiaries. The following entities have been engaged by the General Partner to provide these functions:
 - o GBH Consulting Group Limited ("GBH"), a company controlled by Chris Boatman (Chairman of the board, director of the General Partner, and CEO) was paid fees of \$3,150 for the three months ended March 31, 2010 (2009 - \$nil) for administrative and management services provided by Mr. Chris Boatman. As at March 31, 2010, \$3,150 of this amount was included in accrued liabilities.
 - o Accretive Financial Corp. ("Accretive"), a company controlled by Mr. Elias Foscolos (President, director, and shareholder of the General Partner) was paid fees of \$60,136 for the three months ended March 31, 2010 (2009 - \$80,918) for administrative services which included the professional services of Mr. Foscolos and other support staff, \$9,196 for rent and \$30,930 for reimbursable office expenses and audit fees paid on behalf of the Partnership (2009 - \$4,867 for rent and \$11,334 for office and sundry expenses). Accretive was also paid an additional \$10,000 for services relating to the audit of the December 31, 2009 annual financial statements, which the Partnership had accrued as at December 31, 2009. As at March 31, 2010, \$47,846 of these amounts was included in accounts payable and accrued liabilities (March 31, 2009 - \$31,430). The General Partner continues to pay consulting fees to Accretive on a month to month basis. In addition, Accretive receives a monthly fee of \$2,622 plus applicable taxes for office space;
 - o Directors of the General Partner are entitled to \$5,000 each per annum for director's fees for a total of \$20,000 for the year 2010. For the three month period ended March 31, 2010, the General Partner was paid \$5,000 for director's fees, of which \$5,000 was included in accrued liabilities.
- Multi-fund had \$522,655 invested with Acorn Partners Merchant Bankers ("Acorn") as Asset Based Financing (\$1,074,176 as at December 31, 2009). Mr. Andy Chen, a former director of Amalgamated, was a senior account manager with Acorn and also had a minor equity position in Acorn. Mr. Chen abstained from any Amalgamated board of director votes to invest with Acorn and was not involved in the day-to-day investment decisions of the management of Amalgamated.

AMALGAMATED INCOME LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2010

9. FINANCIAL RISK MANAGEMENT

a. Overview

The Partnership has exposure to credit risk, liquidity risk and market risk. The General Partners' board of directors has overall responsibility for the establishment and oversight of the Partnership's risk management framework.

b. Credit risk

Credit risk is the risk of financial loss to the Partnership if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Partnership's distributions receivables. The carrying amount of financial assets represents the maximum credit exposure.

The Partnership is subject to credit risk on its distributions receivable. The Partnership has never had any problems in collecting its distributions receivables and any adjustments to its receivables results from changes to estimates made prior to actual distribution amounts being disclosed.

The Partnership is also subject to credit risk on its Financial Services investments. These investments are comprised of bridge loans, real estate loans, and other financial instruments to borrowers, mainly in Alberta and British Columbia, in a number of industries. The Partnership mitigates its credit risk by placing only a portion of its investments in financial services, diversifying its financial services among various borrowers in different industries, and obtaining what is determined to be sufficient security at the time to back the loans.

c. Liquidity risk

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

As at March 31, 2010, the Partnership had financial assets of \$11,583,451 and \$402,762 of financial liabilities compared to \$12,232,474 of financial assets and \$460,750 of financial liabilities as at December 31, 2009.

The Partnership manages its liquidity risk by continuously monitoring forecasted cash flows and the value of underlying investments provided as security for the credit facilities.

d. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, debenture values, and equity prices will affect the Partnership's income or value of its financial instruments. The Partnership invests solely in Canadian dollars and therefore is not exposed to currency risk.

The Partnership invests in Financial Services investments with various terms. All Financial Services investments have fixed rates of interest except for the Asset Based Financing of \$522,655 whose rate of return is dependent on risk and repayment terms. A 1% increase (decrease) in the rate would result in an increase (decrease) in the net loss for the Partnership for the three months ended March 31, 2010 of \$1,307. This analysis assumes that all other variables remain constant and the Asset Based Financing of \$522,655 is outstanding for the entire period.

AMALGAMATED INCOME LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2010

9. FINANCIAL RISK MANAGEMENT *(continued)*

e. Fair value of financial instruments

The Partnership has determined the fair values of its financial instruments as follows:

- i. The fair values in the consolidated balance sheet of cash and cash equivalents, distributions receivable, debentures, distributions payable, and accounts payable and accrued liabilities approximate carrying amounts because of the short-term nature of these instruments.
- ii. The fair value of investments was calculated based on the accounting policies discussed in note 2 to the audited consolidated financial statements for the year ended December 31, 2009.

10. SUBSEQUENT EVENTS

On April 19, 2010 the Partnership declared a special distribution of \$1.75 per unit, payable on May 14, 2010 to limited partners of record on April 30, 2010.