Condensed Consolidated Interim Financial Statements
(In Canadian dollars)

CHARTWELL RETIREMENT RESIDENCES

Three-month periods ended March 31, 2013 and 2012
(Unaudited)

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Balance Sheets
(In thousands of Canadian dollars)
(Unaudited)

	Note	March 31, 2013	December 31, 2012	January 1, 2012
			(Restated - note 17)	(Restated - note 17)
Assets				
Current assets:				
Cash and cash equivalents		$ 13,260	$ 25	$ 8,840
Trade and other receivables		22,944	20,970	10,590
Capital funding receivable		4,504	4,396	3,743
Mezzanine loans		–	–	9,653
Other assets	4	25,352	25,859	25,511
Total current assets		66,060	51,250	58,337
Non-current assets:				
Other assets	4	7,259	7,186	7,344
Capital funding receivable		62,031	56,661	55,377
Investment in Joint Ventures	5	34,367	33,498	27,963
Intangible assets		50,379	50,775	52,879
Property, plant and equipment ("PP&E")	3	2,663,948	2,685,431	2,379,710
Total non-current assets		2,817,984	2,833,551	2,523,273
Total assets		$ 2,884,044	$ 2,884,801	$ 2,581,610
Liabilities and Unitholders' Equity				
Current liabilities:				
Secured revolving operating credit facility ("Credit Facility")	6(b)	$ 37,500	$ 77,000	$ 53,000
Accounts payable and other liabilities	8	110,439	122,993	111,907
Distributions payable		7,821	7,800	6,596
Mortgages payable	6(a)	307,050	269,026	191,150
Convertible debentures		–	–	76,425
Deferred consideration on business combinations		520	520	5,328
Obligations to Joint Ventures	5	–	7,296	6,676
Total current liabilities		463,330	484,635	451,082
Non-current liabilities:				
Mortgages payable	6(a)	1,678,380	1,680,589	1,554,119
Convertible debentures	7	148,500	147,150	–
Class B Units of Chartwell Master Care LP ("Class B Units")	9	18,374	18,302	14,292
Deferred tax liabilities		–	–	26,325
Total non-current liabilities		1,845,254	1,846,041	1,594,736
Total liabilities		2,308,584	2,330,676	2,045,818
Unitholders' equity	10	575,460	554,125	535,792
Total liabilities and unitholders' equity		$ 2,884,044	$ 2,884,801	$ 2,581,610

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Trustees:

"Huw Thomas" Trustee "Sidney Robinson" Trustee

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(In thousands of Canadian dollars)
(Unaudited)

	Note	Three-month periods ended March 31, 2013	2012
			(Restated - note 17)
Revenue:			
Resident		$ 199,374	$ 192,446
Management and other fees		2,042	699
Lease revenue from joint ventures	5	7,475	–
Mezzanine loan interest		62	574
		208,953	193,719
Expenses:			
Direct operating		143,648	137,996
General, administrative and Trust		7,876	6,363
		151,524	144,359
Income before the undernoted[1]		57,429	49,360
Finance costs	14	27,820	31,001
Property lease expense		656	627
Other expense	13	414	2,084
Depreciation of PP&E	3	38,875	41,031
Amortization of intangible assets		434	1,109
Changes in fair values of financial instruments and unrealized foreign exchange losses	15	564	28,001
Share of Joint Venture loss (income)	5	(48,542)	1,187
Income (loss) before income taxes		37,208	(55,680)
Income tax expense (benefit):	16		
Current		63	59
Deferred		–	(7,376)
		63	(7,317)
Net income (loss)		37,145	(48,363)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to net income (loss):			
Unrealized foreign currency income (loss) on translation of foreign operations		1,436	(1,411)
Total comprehensive income (loss)		$ 38,581	$ (49,774)

[1] Refers to income before finance costs, property lease expense, other expense, depreciation of PP&E, amortization of intangible assets, changes in fair values of financial instruments and unrealized foreign exchange losses, share of joint venture loss (income) and income tax expense (benefit).

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Unitholders' Equity
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three-month period ended March 31, 2013	Trust Units issued in dollars, net	Trust Units issued under LTIP	LTIP receivable	Accumulated gains (losses)	Foreign currency translation reserve	Distributions	Other equity components	Total
Unitholders' equity, January 1, 2013	$ 1,702,685	$ 25,425	$ (19,533)	$ (537,142)	$ (5,476)	$ (616,725)	$ 4,891	$ 554,125
Net income	–	–	–	37,145	–	–	–	37,145
Other comprehensive income	–	–	–	–	1,436	–	–	1,436
Distributions to unitholders	–	–	–	–	–	(23,174)	–	(23,174)
Issuance of Trust Units under the Distribution Reinvestment Program ("DRIP")	5,705	–	–	–	–	–	–	5,705
Trust Units issued on exchange of Class B Units	228	–	–	–	–	–	–	228
Trust units issued under the Long-Term Incentive Plan ("LTIP"), net of cancellations and Trust Units released on settlement of LTIP receivable	37	(1,189)	956	–	–	–	(59)	(255)
Interest on LTIP receivable	–	–	(48)	–	–	–	–	(48)
Distributions applied against LTIP receivable	–	–	298	–	–	–	–	298
Unitholders' equity, March 31, 2013	$ 1,708,655	$ 24,236	$ (18,327)	$ (499,997)	$ (4,040)	$ (639,899)	$ 4,832	$ 575,460

During the three-month period ended March 31, 2013, distributions were declared and paid at $0.045 per unit per month. In April 2013, distributions were declared at $0.045 per unit totalling $7,829.

Three-month period ended March 31, 2012 (restated - note 17)	Trust Units issued in dollars, net	Trust Units issued under LTIP	LTIP receivable	Accumulated losses	Foreign currency translation reserve	Distributions	Other equity components	Total
Unitholders' equity, January 1, 2012	$ 1,456,238	$ 25,476	$ (19,865)	$ (397,800)	$ (3,972)	$ (529,176)	$ 4,891	$ 535,792
Net loss	–	–	–	(48,363)	–	–	–	(48,363)
Other comprehensive loss	–	–	–	–	(1,411)	–	–	(1,411)
Distributions to unitholders	–	–	–	–	–	(19,547)	–	(19,547)
Issuance of Trust Units under the Distribution Reinvestment Program ("DRIP")	3,543	–	–	–	–	–	–	3,543
Trust units issued under the Long-Term Incentive Plan ("LTIP"), net of cancellations and Trust Units released on settlement of LTIP receivable	313	(572)	417	–	–	–	82	240
Interest on LTIP receivable	–	–	(49)	–	–	–	–	(49)
Distributions applied against LTIP receivable	–	–	296	–	–	–	–	296
Unitholders' equity, March 31, 2012	$ 1,460,094	$ 24,904	$ (19,201)	$ (446,163)	$ (5,383)	$ (548,723)	$ 4,973	$ 470,501

During the three-month period ended March 31, 2012, distributions were declared and paid at $0.045 per unit per month. In April 2012, distributions were declared at $0.045 per unit totalling $7,637.

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of Canadian dollars)
(Unaudited)

	Three-month periods ended March 31, 2013	2012 (Restated - note 17)
Cash provided by (used in):		
Operating activities:		
Net income (loss)	$ 37,145	$ (48,363)
Items not affecting cash:		
Depreciation and amortization	39,309	42,140
Finance costs	27,820	31,001
Other expense	414	1,761
Transaction costs arising from business acquisitions and dispositions	(1,374)	(3,133)
Mezzanine loan interest	(62)	(574)
Non-cash compensation expense	611	540
Changes in fair values of financial instruments and unrealized foreign exchange losses	564	28,001
Current income taxes	63	59
Deferred income taxes	–	(7,376)
Share of Joint Venture loss (income)	(48,542)	1,187
Change in trade and other receivables	(1,815)	1,804
Change in other assets	557	(1,991)
Change in accounts payable and other liabilities	(11,005)	(8,832)
	43,685	36,224
Interest received	960	1,630
Interest paid	(29,824)	(25,820)
Income taxes paid	(63)	(59)
Net cash provided by operating activities	14,758	11,975
Financing activities:		
Subscription receipts issued	–	204,288
Subscription receipts issuance costs	–	(4,086)
Change in subscription receipts funds held in escrow	–	(200,202)
Proceeds from mortgage financing, net of repayments	37,153	15,537
Changes to Credit Facility	(39,500)	(24,000)
Scheduled mortgage principal repayments	(13,535)	(9,735)
Net additions to finance costs	(1,953)	(1,003)
Issuance of convertible debentures	–	135,000
Redemption of convertible debentures	–	(75,000)
Convertible debenture issuance costs	–	(5,363)
Distributions paid	(17,150)	(15,739)
Deposits and repayments received under LTIP	26	219
Net cash provided by (used in) financing activities	(34,959)	19,916
Investing activities:		
Acquisition of assets under business combinations	–	(1,778)
Deposit on acquisition	–	(10,000)
Additions to PP&E and intangible assets	(8,737)	(23,321)
Change in restricted cash	129	(416)
Proceeds from capital funding receivable	1,043	916
Distributions received from Joint Ventures	40,300	1,147
Net cash provided by (used in) investing activities	32,735	(33,452)
Increase (decrease) in cash and cash equivalents	12,534	(1,561)
Foreign exchange gains (losses) on U.S. dollar-denominated cash	701	(140)
Cash and cash equivalents, beginning of period	25	8,840
Cash and cash equivalents, end of period	$ 13,260	$ 7,139

See accompanying notes to condensed consolidated interim financial statements.

Chartwell Retirement Residences ("Chartwell"), previously Chartwell Seniors Housing REIT, is an unincorporated open-ended trust governed by the laws of the Province of Ontario and created as of July 7, 2003 and subsisting under the Declaration of Trust. Chartwell's head office is located at 100 Milverton Drive, Suite 700, Mississauga, Ontario, L5R 4H1. Chartwell began operations on November 14, 2003. Chartwell's main business is ownership, operations and management of retirement and long term care communities in Canada and the United States.

1. Basis of preparation:

Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

The condensed consolidated interim financial statements were authorized for issue by the Board of Trustees on May 2, 2013. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2012, with the exception of the impact of adopting the following accounting standards and amendments to standards:

IFRS 10, Consolidated Financial Statements ("IFRS 10"):

In May 2011, the IASB issued IFRS 10, with further amendments issued in June and October 2012. IFRS 10 replaces the guidance in IAS 27, Consolidated and Separate Financial Statements, and SIC-12, Consolidation - Special Purpose Entities ("SIC-12"). IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC-12. This new standard is effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. Chartwell has assessed this amendment and determined there is no impact on its condensed consolidated interim financial statements.

1. Basis of preparation (continued):

IFRS 11, Joint Arrangements ("IFRS 11"):

In May 2011, the IASB issued IFRS 11, with further amendments issued in June 2012. IFRS 11 replaces the guidance in IAS 31, Interests in Joint Ventures ("IAS 31"), and requires interests in jointly-controlled entities to be accounted for under the equity method. The standard provides guidance regarding joint arrangements, which are arrangements where two or more parties have joint control (before Chartwell transitioned to IFRS 11 all joint arrangements were referred to as joint ventures). A joint arrangement may be classified as a joint operation or a joint venture depending upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties have the rights to the assets, and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. This new standard is effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. Chartwell previously accounted for its interest in all joint arrangements using proportionate consolidation. Chartwell completed the assessment of joint arrangements under IFRS 11 and determined that certain entities are jointly-controlled and therefore are required to be accounted for under the equity method. See accompanying notes 5 and 17 to these condensed consolidated interim financial statements.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"):

In May 2011, the IASB issued IFRS 12, with further amendments issued in June 2012. IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. This new standard is effective for annual consolidated financial statements for the year ending December 31, 2013.

1. Basis of preparation (continued):

IFRS 13, Fair Value Measurement ("IFRS 13"):

In May 2011, the IASB published IFRS 13. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs. This new standard is effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. This standard increased the quarterly disclosures for Chartwell fair value measurements. See the accompanying notes to condensed consolidated interim financial statements for the impact of this new standard.

Amendments to IAS 28, Investments in Associates and Joint Ventures ("IAS 28"):

In May 2011, the IASB issued amendments to IAS 28. IAS 28 requires any retained portion of an investment in an associate or joint venture that has been classified as held for sale to be measured using the equity method until disposal. After disposal, if the retained interest continues to be an associate or joint venture, the amendment requires for it to be continued to be accounted for under the equity method. The amendment also disallows the remeasurement of any retained interest in an investment upon the cessation of significant influence or joint control. This amended standard is effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. Chartwell has assessed this amendment and determined there is no impact on its condensed consolidated interim financial statements.

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1"):

In June 2011, the IASB amended IAS 1. This amendment requires that an entity present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. This amended standard is effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. Chartwell has assessed this amendment and provided additional disclosures in its condensed consolidated interim statements of comprehensive income (loss).

1. Basis of preparation (continued):

Amendments to IAS 19, Employee Benefits ("IAS 19"):

In June 2011, the IASB amended IAS 19. Adoption of the amendment is required for annual periods beginning on or after January 1, 2013, with early adoption permitted. This amendment eliminated the use of the 'corridor' approach and mandates that all remeasurement impacts be recognized in other comprehensive income (loss). It also enhances the disclosure requirements, providing better information about the characteristics of defined benefit plans and the risk that entities are exposed to through participation in those plans. This amendment clarifies when a company should recognize a liability and an expense for termination benefits. This amended standard is effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. Chartwell has assessed this amendment and determined there is no impact on its condensed consolidated interim financial statements.

Amendments to IFRS 7, Financial Instruments - Disclosures ("IFRS 7"):

In December 2011, the IASB amended IFRS 7 to include new disclosure requirements for financial assets and liabilities that are offset in the consolidated balance sheets or subject to master netting arrangements or similar arrangements. The amendments to IFRS 7 are effective for fiscal periods beginning on or after January 1, 2013. These amendments are to be applied retrospectively. Chartwell has assessed this amendment and determined there is no impact on its condensed consolidated interim financial statements.

Annual Improvements to IFRSs 2009-2011 Cycle - various standards:

The IASB issued its Annual Improvements to IFRSs - 2009-2011 Cycle, part of the annual improvements process to make non-urgent but necessary amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2013, with retrospective application. The new cycle of improvements contains amendments to the several standards including: IAS 1, IAS 16, IAS 32, and IAS 34. The amendments to the standards are effective for Chartwell's interim and annual consolidated financial statements commencing January 1, 2013. Chartwell has assessed this amendment and determined there is no impact on its condensed consolidated interim financial statements.

(In thousands of Canadian dollars, except per unit amounts)

1. Basis of preparation (continued):

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses during the period. Actual results may differ from those estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Chartwell's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2012.

2. Acquisitions:

Acquisitions during the period ended December 31, 2012 (restated - note 17):

Chartwell completed three acquisitions for the period ended December 31, 2012. Purchases completed include the acquisition of 100% ownership interest in Georgian Traditions Retirement Residence on January 20, 2012, 50% interest in Renaissance Retirement Residence on April 1, 2012 and 50% ownership in Chartwell and Health Care REIT Inc. ("HCN") properties on May 1, 2012. The following table summarizes the allocation of the purchase price to each major category of assets acquired and liabilities assumed at the date of acquisition and the major categories of consideration transferred at Chartwell's ownership:

Date of acquisition	January 20, 2012	April 1, 2012	May 1, 2012	
Segment	Canadian Retirement Operations			
Location	Province of Ontario (70 suites)	Province of British Columbia (97 suites)	Various provinces (7,662 suites)	Total
Property, plant and equipment ("PP&E")	$ 15,500	$ 7,525	$ 425,871	$ 448,896
Other assets (liabilities)	(423)	(121)	3,490	2,946
Mortgages assumed	(11,435)	(4,691)	(235,175)	(251,301)
Investment in Joint Ventures	–	–	2,314	2,314
Net assets acquired	$ 3,642	$ 2,713	$ 196,500	$ 202,855
Discharge of mezzanine loan receivable	$ 938	$ 699	$ –	$ 1,637
Settlement of accounts receivable	926	826	–	1,752
Cash consideration	1,778	1,188	196,500	199,466
Total consideration transferred	$ 3,642	$ 2,713	$ 196,500	$ 202,855

(In thousands of Canadian dollars, except per unit amounts)

3. Property, plant and equipment:

	Land	Building	Furniture, fixtures and equipment	Properties under development	Land held for development	Total
Cost or deemed cost						
Balance, January 1, 2012 (restated - note 17)	$ 279,337	$ 2,235,398	$ 60,951	$ 57,162	$ 18,540	$ 2,651,388
Additions	–	28,519	13,064	47,833	507	89,923
Additions through business combinations	45,966	394,254	3,559	–	5,138	448,917
Disposals	–	–	–	–	(268)	(268)
Derecognition	–	(7,453)	(2,967)	–	–	(10,420)
Transfers[1]	6,219	66,665	4,976	(78,873)	–	(1,013)
Exchange differences on translation of United States Operations	(1,920)	(16,365)	(535)	(46)	(143)	(19,009)
Balance, December 31, 2012	329,602	2,701,018	79,048	26,076	23,774	3,159,518
Additions	–	4,066	729	3,942	–	8,737
Derecognition	–	(978)	(112)	–	–	(1,090)
Development costs allocable to capital funding receivable	–	–	–	(6,520)	–	(6,520)
Exchange differences on translation of United States Operations	1,834	15,622	582	–	155	18,193
Balance, March 31, 2013	$ 331,436	$ 2,719,728	$ 80,247	$ 23,498	$ 23,929	$ 3,178,838
Accumulated depreciation and impairment losses						
Balance, January 1, 2012 (restated - note 17)	$ –	$ 245,595	$ 24,203	$ 1,880	$ –	$ 271,678
Depreciation	–	176,431	17,212	–	–	193,643
Derecognition	–	(7,446)	(2,974)	–	–	(10,420)
Impairment	–	20,661	–	542	–	21,203
Exchange differences on translation of United States Operations	–	(1,807)	(210)	–	–	(2,017)
Balance, December 31, 2012	–	433,434	38,231	2,422	–	474,087
Depreciation	–	34,490	4,385	–	–	38,875
Derecognition	–	(978)	(112)	–	–	(1,090)
Exchange differences on translation of United States Operations	–	2,703	315	–	–	3,018
Balance, March 31, 2013	$ –	$ 469,649	$ 42,819	$ 2,422	$ –	$ 514,890
Carrying amounts						
Balance, December 31, 2012	$ 329,602	$ 2,267,584	$ 40,817	$ 23,654	$ 23,774	$ 2,685,431
Balance, March 31, 2013	331,436	2,250,079	37,428	21,076	23,929	2,663,948

[1] For the year ended December 31, 2012, Chartwell transferred $1,013 from properties under development to intangible assets.

(In thousands of Canadian dollars, except per unit amounts)

3. Property, plant and equipment (continued):

During the three-month period ended March 31, 2013, Chartwell capitalized $284 of borrowing costs related to development projects under construction at an average capitalization rate of 5.23%. During the year ended December 31, 2012, Chartwell capitalized $1,843 of borrowing costs related to development projects under construction at an average capitalization rate of 5.33%.

4. Other assets:

	March 31, 2013	December 31, 2012 (Restated - note 17)
Prepaid expenses and deposits	$ 10,341	$ 10,672
Restricted cash	13,823	13,952
Lease purchase option	4,343	4,253
Other assets	4,104	4,168
	$ 32,611	$ 33,045
Current	$ 25,352	$ 25,859
Non-current	7,259	7,186
	$ 32,611	$ 33,045

Restricted cash relates primarily to capital expenditure reserves required in the United States for certain mortgages and an operating income deposit related to the acquisition of a 39 properties portfolio that is co-owned by Chartwell and HCN.

(In thousands of Canadian dollars, except per unit amounts)

5. Investment in Joint Ventures:

Chartwell exercises significant influence over the following investments which have been accounted for using the equity method:

	March 31, 2013	December 31, 2012	March 31, 2012
Chartwell-HCN operator (Canadian)[(1)]	50%	50%	–
Bristal Holdings LLC (U.S.)[(2)]	50%	50%	50%
Other Canadian joint ventures [(3)]	50%	50%	50%

[(1)] On May 1, 2012, Chartwell acquired a 50% interest in this Joint Venture, which represents the operations of 39 retirement properties in Canada.
[(2)] At December 31, 2012, Chartwell owned a 50% interest in a Joint Venture that owned and operated five properties located in New York State. On February 13, 2013, the Joint Venture disposed of a majority of the properties' assets and liabilities.
[(3)] Includes interests in three separate Joint Ventures located in Ontario, Canada.

The following tables summarize the information about Chartwell's investment in Joint Ventures:

	March 31, 2013	December 31, 2012
Investment in Joint Ventures	$ 34,367	$ 33,498
Obligations to Joint Ventures	–	(7,296)

	March 31, 2013[(1)]	December 31, 2012[(2)]	March 31 2012[(1)]
Distributions received from Joint Ventures	$ 40,377	$ 2,987	$ 1,147
Contributions to Joint Ventures	–	4,491	–

[(1)] Three-month period ended
[(2)] Twelve-month period ended

(In thousands of Canadian dollars, except per unit amounts)

5. Investment in Joint Ventures (continued):

The following is summarized financial information in respect of Chartwell's investments in Joint Ventures.

	March 31, 2013	December 31, 2012
Current assets	$ 15,826	$ 104,473
Non-current assets	48,668	49,512
Total assets	$ 64,494	$ 153,985
Current liabilities	$ 13,698	$ 111,245
Non-current liabilities	16,429	16,538
Total liabilities	$ 30,127	$ 127,783

	Three-month periods ended March 31,	
	2013	2012
Revenue	$ 27,904	$ 7,930
Gain on disposal of assets	48,947	–
Expenses	(28,309)	(9,117)
Chartwell's share of net income (loss) as recognized through investment in Joint Ventures	$ 48,542	$ (1,187)

5. Investment in Joint Ventures (continued):

Related party transactions occur between Chartwell and its Joint Ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these condensed consolidated interim financial statements, the related party balances are included in accounts payable and receivables, and arise in the normal course of the operations of these properties, including a management fee charged to the properties by Chartwell. As at March 31, 2013, Chartwell's outstanding accounts receivable balance with the Joint Ventures is $1,351 (December 31, 2012 - $1,205), accounts payable balance is $5,202 (December 31, 2012 - $4,249), and management fees of $1,217 for the three-month period ended March 31, 2013 (March 31, 2012 - $72) are included in management and other fees in the condensed consolidated interim statement of comprehensive income (loss).

Chartwell and HCN (referred to as the "landlords") each own a 50% direct beneficial interest in the real estate assets, and are obligated for the related mortgages for a portfolio of 39 properties acquired on May 1, 2012 which under IFRS 11 are accounted for as a joint operations. Chartwell's 50% interests in the operations of these properties are held through separate legal entities (collectively referred to as "Chartwell-HCN operator") and under IFRS 11 are accounted for as a joint venture using the equity method.

Chartwell-HCN operator has leased the real estate from the landlords under their respective lease agreements. The terms of these leases are for three year periods, with automatic renewal terms as long as the joint arrangement between Chartwell and HCN is still in effect. Lease payments vary for each property and include annual adjustments based upon agreed financial ratios. As a result Chartwell's 50% interest of the landlords' lease receipts, $7,475 for the three-month period ended March 31, 2013 (March 31, 2012 - nil), is reported as lease revenue and is included in lease revenue from Joint Ventures. Chartwell-HCN operator lease expense is included in the share of joint venture income (loss) in the condensed consolidated interim statement of comprehensive income (loss).

(In thousands of Canadian dollars, except per unit amounts)

5. Investment in Joint Ventures (continued):

On February 13, 2013, Chartwell's joint venture, Bristal Holdings LLC (U.S.), completed the previously-announced sale of the five-property portfolio in the United States. The sale price for 100% interest was $290,580 and was satisfied by the purchasers assuming mortgages in the amount of $198,095, with the balance of the purchase price, subject to closing adjustments and escrow requirements paid in cash. Bristal Holdings LLC (U.S.) at March 31, 2013 had $4,420 in escrow relating to this sale, which is included in the summarized financial information for the joint ventures under current assets. As a result of this sale of assets, Chartwell's share of net income includes a gain of $48,947, before transaction costs, and Chartwell received a distribution from Bristal Holdings LLC (U.S.) of $39,726 for the three-month period ending March 31, 2013.

6. Secured debt:

(a) Mortgages payable:

Mortgages payable are secured by first and second charges on specific properties and are measured at amortized cost. The mortgages payable as at March 31, 2013 are as follows:

	Regular principal payments	Principal due on maturity	Total debt	% of total debt	Weighted average interest rate of maturing debt %
Remainder of 2013	$ 37,888	$ 173,974	$ 211,862	11	4.65
2014	46,726	227,783	274,509	14	4.42
2015	41,307	290,480	331,787	17	4.84
2016	35,851	300,010	335,861	17	6.10
2017	26,242	257,995	284,237	14	5.64
2018	27,141	33,336	60,477	3	5.43
2019	27,332	10,591	37,923	2	4.53
2020	27,412	48,899	76,311	4	4.35
2021	25,309	50,150	75,459	4	4.59
2022	21,636	60,395	82,031	4	3.56
2023	17,216	14,224	31,440	2	6.07
2024	12,710	18,042	30,752	1	7.09
Thereafter	126,101	23,921	150,022	7	4.83
	$ 472,871	$ 1,509,800	$ 1,982,671	100	
Mark-to-market adjustments on acquisition			19,608		
Financing costs			(16,849)		
			$ 1,985,430		
Current			$ 307,050		
Non-current			1,678,380		
			$ 1,985,430		

(In thousands of Canadian dollars, except per unit amounts)

6. Secured debt (continued):

	March 31, 2013	December 31, 2012
		(Restated - note 17)
Mortgages at fixed rates:		
Mortgages (principal)	$1,814,302	$1,790,673
Interest rates	2.10% - 10.00%	2.10% - 10.00%
Weighted average interest rate	5.26%	5.31%
Mortgages at variable rates:		
Mortgages (principal)	$168,369	$154,850
Interest rates	Lender COF plus 2.00% to prime plus 2.50%	Lender COF plus 2.00% to prime plus 2.50%
Weighted average interest rate	4.10%	4.35%
Blended weighted average rate	5.16%	5.23%

(b) Credit Facility:

Chartwell has arranged for an $85,000 credit facility. Amounts outstanding under the Credit Facility bear interest at the bank's prime rate plus 1.25% or the applicable bankers' acceptance rate plus 2.25%. Additional terms include minimum equity requirements and covenants requiring limitations on the amount of cash distributions that can be paid to unitholders. The Credit Facility is secured by charges on specific properties. The Credit Facility was entered into on June 23, 2012 and matures on June 22, 2013. At March 31, 2013, the maximum available borrowing capacity under the Credit Facility was $85,000 (December 31, 2012 - $85,000) based on the security provided. Of this capacity, $2,731 (December 31, 2012 - $2,807) has been allocated to support various letters of credit issued by Chartwell. As at March 31, 2013, $37,500 (December 31, 2012 - $77,000) was outstanding under the Credit Facility.

(In thousands of Canadian dollars, except per unit amounts)

7. Convertible debentures:

Chartwell has elected to designate convertible debentures as fair value through profit or loss and are included in Level 1 of the fair value hierarchy. Fair value is determined using the market prices for these listed convertible debentures. The market ask price of the 5.7% convertible debentures at March 31, 2013 was $110.0.

Chartwell has the following series of convertible debentures outstanding:

	March 31, 2013	December 31, 2012
5.7% convertible debentures:		
Principal	$ 135,000	$ 135,000
Fair value	148,500	147,150

8. Accounts payable and other liabilities:

	Note	March 31, 2013	December 31, 2012
			(Restated - note 17)
Accounts payable and accrued liabilities		$ 84,129	$ 97,049
Resident deposits		3,713	3,688
Deferred revenue		9,749	9,753
Deferred Trust Units	(a)	5,670	5,292
Restricted Trust Units	(b)	950	732
Fair value of LTIP option component	(c)	6,228	6,479
		$ 110,439	$ 122,993

(In thousands of Canadian dollars, except per unit amounts)

8. Accounts payable and other liabilities (continued):

(a) Deferred unit plan:

The deferred unit plan is considered a cash-settled plan with the value of issued units recorded as a liability on the consolidated balance sheets. Deferred Trust Unit values are initially calculated based on the grant date fair value. Fair value is determined using the market prices for listed Trust Units since there is a one-for-one conversion feature, and are included in Level 1 of the fair value hierarchy. The liability is remeasured to fair value at each reporting date until the liability is settled. The liability is released to equity after retirement of the director. The market ask price of the Trust Units as at March 31, 2013 was $11.08 (December 31, 2012 - $10.90). The following table summarizes the Deferred Trust Unit activity since January 1, 2012:

	Units outstanding	Amount
Balance, January 1, 2012	354,550	$ 3,013
Units granted	107,668	1,040
Reinvested distributions	23,287	221
Change in fair value	–	1,018
Balance, December 31, 2012	485,505	5,292
Units granted	20,203	223
Reinvested distributions	6,057	66
Change in fair value	–	89
Balance, March 31, 2013	511,765	$ 5,670

(b) Restricted unit plan:

During the three-month period ended March 31, 2013, 79,877 notional Trust Units were issued, 11,008 units were cancelled, and 2,258 units were issued related to reinvested distributions. At March 31, 2013, 225,473 notional Trust Units remained outstanding (December 31, 2012 - 154,346).

(In thousands of Canadian dollars, except per unit amounts)

8. Accounts payable and other liabilities (continued):

(c) LTIP (note 10):

Chartwell's recourse on the LTIP receivable is limited to Chartwell Units it holds as security. The limited recourse nature of the LTIP receivable effectively provides a participant with a put option as the participant may elect to surrender the LTIP Units in full satisfaction of the LTIP receivable. The fair value of this option is measured using the Monte Carlo simulation method. The following table summarizes the assumptions used to determine the fair value of the LTIP option component:

	March 31, 2013	December 31, 2012
Expected volatility	11.40 - 14.30%	13.70 - 17.10%
Risk free rate	1.37 - 2.23%	1.50 - 2.20%
Distribution yield	3.98 - 4.75%	4.00 - 4.90%

9. Class B Units:

Class B Units are exchangeable, at the option of the holder, into Trust Units. Such exchangeable instruments are presented as a liability under IFRS. Chartwell has elected to designate Class B Units as fair value through profit or loss, and are classified as Level 1 within the fair value hierarchy. Fair value is determined by using market prices for listed Trust Units since there is a one-for-one exchange feature for each Class B Unit into a Trust Unit. The market ask price of the Trust Units as at March 31, 2013 was $11.08 (December 31, 2012 - $10.90). During the three month period ended March 31, 2013, 20,816 (December 31, 2012 - 2,397) Class B Units were exchanged for Trust Units.

(In thousands of Canadian dollars, except per unit amounts)

10. Trust Units and LTIP:

The following Trust Units are issued and outstanding:

	Number of voting Units	Amount
Balance, January 1, 2012	142,691,626	$ 1,456,238
Trust Units issued under DRIP	1,703,174	15,791
Trust Units issued in exchange of Class B Units	2,397	24
Trust Units released on settlement of LTIP receivable	131,533	1,127
Trust Units issued in exchange of subscription receipts, net of tax and transaction costs	24,913,125	229,505
Balance, December 31, 2012	169,441,855	1,702,685
Trust Units issued under DRIP	543,420	5,705
Units issued in exchange of Class B Units	20,816	228
Trust Units released on settlement of LTIP receivable	5,279	37
Balance, March 31, 2013	170,011,370	$ 1,708,655

The following table summarizes Trust Units issued under the LTIP:

	Number of Trust Units issued under LTIP	Amount
Balance, January 1, 2012	2,192,845	$ 25,476
Trust Units issued under LTIP	293,042	2,740
Trust Units surrendered for cancellation under LTIP	(146,890)	(1,664)
Trust Units released on settlement of LTIP receivable	(131,533)	(1,127)
Balance, December 31, 2012	2,207,464	25,425
Trust Units surrendered for cancellation under LTIP	(88,083)	(1,152)
Trust Units released on settlement of LTIP receivable	(5,279)	(37)
Balance, March 31, 2013	2,114,102	$ 24,236

10. Trust Units and LTIP (continued):

DRIP:

Chartwell has established a DRIP for its unitholders, which allows participants to reinvest their monthly cash distributions in additional Trust Units at an effective discount of 3%.

Subscription receipts:

In March 2012, Chartwell completed a bought deal offering of 24,913,125 subscription receipts at a price of $8.20 per subscription receipt for gross cash proceeds of $204,287. Upon closing of the acquisition of the Maestro portfolio on May 1, 2012, each outstanding subscription receipt was exchanged for one unit of Chartwell. Immediately prior to conversion to Trust Units, the subscription receipts were adjusted to fair value and $229,505, net of tax and transaction costs, was recorded in unitholders' equity. Chartwell incurred transaction-related costs of $8,776, before tax effect, recorded in unitholders' equity.

11. Segmented information:

Chartwell monitors and operates its Canadian Retirement, Canadian Long Term Care and United States Operations separately. The accounting policies of each of the segments are the same as those for Chartwell. These segments include Chartwell's proportionate share of its joint ventures. The "Reconciliation" column adjusts the segmented results to account for these joint ventures using the equity method of accounting as applied in these condensed consolidated interim financial statements. Certain general, administrative and trust expenses are managed centrally by Chartwell and are not allocable to reportable operating segments. Chartwell has no material inter-segment revenue, transfers or expenses.

(In thousands of Canadian dollars, except per unit amounts)

11. Segmented information (continued):

	Canadian Retirement Operations	Canadian Long-Term Care Operations	United States Operations	Segment Total	Other	Subtotal	Recon-ciliation	Total
	Three-month period ended March 31, 2013							
Revenue:								
Resident	$ 118,057	$ 50,626	$ 58,596	$ 227,279	$ –	$ 227,279	$ (27,905)	$ 199,374
Management and other fees	–	–	–	–	2,042	2,042	–	2,042
Lease revenue from joint ventures	–	–	–	–	–	–	7,475	7,475
Mezzanine loan interest	–	–	–	–	62	62	–	62
	118,057	50,626	58,596	227,279	2,104	229,383	(20,430)	208,953
Expenses (income):								
Direct operating	78,613	44,251	38,766	161,630	–	161,630	(17,982)	143,648
General, administrative and trust	–	–	–	–	7,876	7,876	–	7,876
	78,613	44,251	38,766	161,630	7,876	169,506	(17,982)	151,524
Income (loss) before the undernoted(1)	39,444	6,375	19,830	65,649	(5,772)	59,877	(2,448)	57,429
Finance costs (recovery):								
Contractual interest	13,255	3,325	11,364	27,944	1,108	29,052	(1,253)	27,799
Other	(203)	(411)	359	(255)	309	54	(33)	21
Property lease expense	32	67	557	656	–	656	–	656
Other expense (income):								
Interest	(33)	(923)	–	(956)	(25)	(981)	21	(960)
Other	30	–	(46,902)	(46,872)	12	(46,860)	48,234	1,374
Depreciation and amortization	23,750	2,421	13,435	39,606	578	40,184	(875)	39,309
Share of Joint Venture income	–	–	–	–	–	–	(48,542)	(48,542)
Changes in fair values of financial instruments and unrealized foreign exchange losses (gains)	48	(94)	–	(46)	610	564	–	564
	36,879	4,385	(21,187)	20,077	2,592	22,669	(2,448)	20,221
Income (loss) before income taxes	2,565	1,990	41,017	45,572	(8,364)	37,208	–	37,208
Income tax expense	–	–	63	63	–	63	–	63
Net income (loss)	$ 2,565	$ 1,990	$ 40,954	$ 45,509	$ (8,364)	$ 37,145	$ –	$ 37,145
Expenditures for non-current assets:								
Capital additions	$ 4,176	$ 1,081	$ 2,172	$ 7,429	$ 1,371	$ 8,800	$ (63)	$ 8,737

(1) Refers to income before finance costs, property lease expense, other expense, depreciation of PP&E, amortization of intangible assets, changes in fair values of financial instruments and unrealized foreign exchange losses, share of joint venture loss (income) and income tax expense (benefit).

(In thousands of Canadian dollars, except per unit amounts)

11. Segmented information (continued):

	Three-month period ended March 31, 2012 (restated - note 17)							
	Canadian Retirement Operations	Canadian Long-Term Care Operations	United States Operations	Segment Total	Other	Subtotal	Recon-ciliation	Total
Revenue:								
Resident	$ 90,384	$ 50,487	$ 59,504	$ 200,375	$ –	$ 200,375	$ (7,929)	$ 192,446
Management and other fees	–	–	–	–	699	699	–	699
Mezzanine loan interest	–	–	–	–	574	574	–	574
	90,384	50,487	59,504	200,375	1,273	201,648	(7,929)	193,719
Expenses (income):								
Direct operating	58,662	44,343	39,564	142,569	–	142,569	(4,573)	137,996
General, administrative and trust	–	–	–	–	6,363	6,363	–	6,363
	58,662	44,343	39,564	142,569	6,363	148,932	(4,573)	144,359
Income (loss) before the undernoted[1]	31,722	6,144	19,940	57,806	(5,090)	52,716	(3,356)	49,360
Finance costs (recovery):								
Contractual interest	10,894	3,421	11,230	25,545	2,099	27,644	(1,783)	25,861
Other	112	(384)	58	(214)	5,590	5,376	(236)	5,140
Property lease expense	32	67	528	627	–	627	–	627
Other expense (income):								
Interest	(6)	(857)	(2)	(865)	(191)	(1,056)	(318)	(1,374)
Other	3,036	–	197	3,233	–	3,233	225	3,458
Depreciation and amortization	23,221	2,352	18,807	44,380	191	44,571	(2,431)	42,140
Share of Joint Venture income	–	(153)	–	(153)	28,154	28,001	–	28,001
Changes in fair values of financial instruments and unrealized foreign exchange losses	–	–	–	–	–	–	1,187	1,187
	37,289	4,446	30,818	72,553	35,843	108,396	(3,356)	105,040
Income (loss) before income taxes	(5,567)	1,698	(10,878)	(14,747)	(40,933)	(55,680)	–	(55,680)
Income tax recovery	–	–	–	–	(7,317)	(7,317)	–	(7,317)
Net income (loss)	$ (5,567)	$ 1,698	$ (10,878)	$ (14,747)	$ (33,616)	$ (48,363)	$ –	$ (48,363)
Expenditures for non-current assets:								
Acquisition properties, land held for development, limited life intangible assets, licenses and other assets	$ 15,500	$ –	$ –	$ 15,500	$ –	$ 15,500	$ –	$ 15,500
Capital additions	18,668	2,628	1,973	23,269	256	23,525	(204)	23,321

(1) Refers to income before finance costs, property lease expense, other expense, depreciation of PP&E, amortization of intangible assets, changes in fair values of financial instruments and unrealized foreign exchange losses, share of joint venture loss (income) and income tax expense (benefit).

(In thousands of Canadian dollars, except per unit amounts)

11. Segmented information (continued):

March 31, 2013	Canadian Retirement Operations	Canadian Long-Term Care Operations	United States Operations	Segment Total	Other	Subtotal	Recon-ciliation	Total
Total assets	$ 1,844,096	$ 290,622	$ 758,409	$ 2,893,127	$ 18,171	$ 2,911,298	$ (27,254)	$ 2,884,044
Total liabilities	$ 1,200,796	$ 238,274	$ 671,783	$ 2,110,853	$ 224,985	$ 2,335,838	$ (27,254)	$ 2,308,584

December 31, 2012 (restated - note 17)	Canadian Retirement Operations	Canadian Long-Term Care Operations	United States Operations	Segment Total	Other	Subtotal	Recon-ciliation	Total
Total assets	$ 1,859,174	$ 293,810	$ 844,878	$ 2,997,862	$ 7,426	$ 3,005,288	$ (120,487)	$ 2,884,801
Total liabilities	$ 1,183,718	$ 236,905	$ 763,281	$ 2,183,904	$ 267,259	$ 2,451,163	$ (120,487)	$ 2,330,676

12. Financial instruments and financial risk management:

Classification, carrying values and fair values of financial instruments:

The classification of financial instruments, not otherwise disclosed in these condensed consolidated interim financial statements, as well as their carrying amounts and fair values, as shown in the condensed consolidated interim balance sheets, are shown in the table below:

		March 31, 2013		December 31, 2012	
	Note	Carrying value	Fair value	Carrying value	Fair value
				(Restated - note 17)	
Financial liabilities:					
Financial liabilities recorded at amortized cost					
Mortgages payable	6(a)	1,985,430	2,091,287	1,949,615	2,065,551
Credit Facility		37,500	37,500	77,000	77,000

12. Financial instruments and financial risk management (continued):

Fair value represents management's estimates of the market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. The above table excludes cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, the Credit Facility, and distributions payable as the carrying amount of these assets and liabilities are a reasonable approximation of fair value and are disclosed elsewhere in these condensed consolidated interim financial statements.

Basis for determining fair values:

The following summarizes the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above:

(a) The fair value of mortgages payable is estimated by discounting the expected future cash flows using the rates currently prevailing for similar instruments of similar maturities. At March 31, 2013, the mortgages payable were discounted using rates between 1.89% and 5.14% (December 31, 2012 1.94% and 4.86%).

Fair value hierarchy:

The table below analyzes financial instruments carried at fair value categorized into one of the three hierarchy levels. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

(In thousands of Canadian dollars, except per unit amounts)

12. Financial instruments and financial risk management (continued):

March 31, 2013	Fair value	Level 1	Level 2	Level 3
Financial liabilities:				
Financial liabilities recorded at FVTPL	$ 173,494	$ 173,494	$ –	$ –
Derivatives	416	–	416	–
	$ 173,910	$ 173,494	$ 416	$ –

December 31, 2012 (restated - note 17)	Fair value	Level 1	Level 2	Level 3
Financial liabilities:				
Financial liabilities recorded at FVTPL	$ 171,524	$ 171,524	$ –	$ –
Derivatives	461	–	461	–
	$ 171,985	$ 171,524	$ 461	$ –

13. Other expense:

	Three-month periods ended March 31, 2013	Three-month periods ended March 31, 2012
		(Restated - note 17)
Interest income on loans and receivables	$ (960)	$ (1,048)
Transaction costs arising on business acquisitions and dispositions	1,374	3,132
Other expense	$ 414	$ 2,084

(In thousands of Canadian dollars, except per unit amounts)

14. Finance costs:

	Three-month periods ended March 31, 2013	2012 (Restated - note 17)
Contractual mortgage interest expense	$ 25,388	$ 23,561
Interest expense on convertible debentures	1,897	1,374
Credit Facility and other interest expense	514	725
	27,799	25,660
Interest capitalized to properties under development	(284)	(439)
Amortization of financing costs and mark-to-market adjustment on assumption of mortgages payable	46	190
Distributions on Class B Units recorded as interest expense	259	227
Convertible debenture issuance costs	–	5,363
Total finance costs	$ 27,820	$ 31,001

15. Changes in fair values of financial instruments and unrealized foreign exchange losses:

	Three-month periods ended March 31, 2013	2012 (Restated - note 17)
Changes in fair value of convertible debentures	$ 1,350	$ 3,975
Changes in fair value of interest rate swap	(45)	(153)
Unrealized foreign exchange losses (gains)	(878)	1,428
Changes in fair value of LTIP option component	(251)	487
Changes in fair value of Class B Units	299	1,093
Changes in fair value of Deferred Trust Units	89	244
Changes in fair value of subscription receipts	–	20,927
Changes in fair values of financial instruments and unrealized foreign exchange losses	$ 564	$ 28,001

(In thousands of Canadian dollars, except per unit amounts)

16. Income taxes:

For the three-month period ended March 31, 2013, Chartwell recorded a current income tax expense of $63 (2012 - $59) and a deferred income tax benefit of nil (2012 - $7,376).

The average effective tax rate for the three-month period ended March 31, 2013 was lower than the average effective tax rate for the three-month period ended March 31, 2012 primarily due to the benefit of deferred tax assets not previously recognized.

With the adoption of IFRS 11 for the interim and annual consolidated financial statements commencing January 1, 2013, certain jointly controlled properties are reported under the equity method. The following table reflects the adjustments as a result of the application of IFRS 11 to the prior period disclosure in the condensed consolidated interim financial statements relating to the tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities for the year ended December 31, 2012:

	Pre IFRS 11	Post IFRS 11
Deferred tax assets:		
Mortgages payable	$ 7,825	$ 7,885
Issue costs	7,585	7,585
PP&E	18,360	21,905
Other	4,367	4,310
	38,137	41,685
Deferred tax liabilities:		
Capital funding receivable	(23,531)	(23,531)
Intangible assets	(13,129)	(13,129)
Investment in Joint Ventures	–	(3,548)
Other	(1,477)	(1,477)
	(38,137)	(41,685)
	$ –	$ –

The Company has temporary differences associated with its outside investment in these jointly controlled properties. No deferred taxes have been provided with respect to such temporary differences since the Company is able to control the timing of the reversal of these temporary differences, and such reversal is not probable in the foreseeable future.

(In thousands of Canadian dollars, except per unit amounts)

17. IFRS 11 impact on the condensed consolidated interim financial statements:

Chartwell adopted IFRS 11 for the interim and annual consolidated financial statements commencing January 1, 2013 (refer to notes 1 and 5). The following tables detail the impact of the adoption of IFRS 11 on the condensed consolidated interim balance sheet as at December 31, 2012 and the condensed consolidated interim statement of comprehensive loss for the three-month period ended March 31, 2012 and the condensed consolidated interim balance sheet as at January 1, 2012:

Condensed consolidated interim balance sheet information, December 31, 2012	As previously reported (Pre IFRS 11)	Remove proportionately consolidated Joint Ventures	Investment in Joint Ventures under IFRS	As restated (Post IFRS 11)
Assets				
Current assets:				
Cash and cash equivalents	$ 5,309	$ (5,284)	$ –	$ 25
Trade and other receivables	20,296	674	–	20,970
Capital funding receivable	4,396	–	–	4,396
Other assets	28,318	(2,459)	–	25,859
Assets held for sale	97,404	(97,404)	–	–
Total current assets	155,723	(104,473)	–	51,250
Non-current assets:				
Other assets	7,186	–	–	7,186
Capital funding receivable	56,661	–	–	56,661
Investment in Joint Ventures	–	–	33,498	33,498
Intangible assets	50,775	–	–	50,775
PP&E	2,734,943	(49,512)	–	2,685,431
Total non-current assets	2,849,565	(49,512)	33,498	2,833,551
Total assets	$ 3,005,288	$ (153,985)	$ 33,498	$ 2,884,801
Liabilities and Unitholders' Equity				
Current liabilities:				
Credit Facility	$ 77,000	$ –	$ –	$ 77,000
Accounts payable and other liabilities	121,072	1,921	–	122,993
Distributions payable	7,800	–	–	7,800
Mortgages payable	282,223	(13,197)	–	269,026
Deferred consideration on business combinations	520	–	–	520
Liabilities held for sale	99,969	(99,969)	–	–
Obligations to Joint Ventures	–	–	7,296	7,296
Total current liabilities	588,584	(111,245)	7,296	484,635
Non-current liabilities:				
Mortgages payable	1,697,127	(16,538)	–	1,680,589
Convertible debentures	147,150	–	–	147,150
Class B Units	18,302	–	–	18,302
Total non-current liabilities	1,862,579	(16,538)	–	1,846,041
Total liabilities	2,451,163	(127,783)	7,296	2,330,676
Unitholders' equity	554,125	–	–	554,125
Total liabilities and unitholders' equity	$ 3,005,288	$ (127,783)	$ 7,296	$ 2,884,801

(In thousands of Canadian dollars, except per unit amounts)

17. IFRS 11 impact on the condensed consolidated interim financial statements (continued):

Condensed consolidated interim statement of comprehensive loss information for the three-month period ended March 31, 2012	As previously reported (Pre IFRS 11)	Remove proportionately consolidated Joint Ventures	Investment in Joint Ventures under IFRS	As restated (Post IFRS 11)
Revenue:				
Resident	$ 200,375	$ (7,929)	$ –	$ 192,446
Management and other fees	699	–	–	699
Mezzanine loan interest	574	–	–	574
	201,648	(7,929)	–	193,719
Expenses:				
Direct operating	142,569	(4,573)	–	137,996
General, administrative and Trust	6,363	–	–	6,363
	148,932	(4,573)	–	144,359
Income before the undernoted[1]	52,716	(3,356)	–	49,360
Finance costs	33,020	(2,019)	–	31,001
Property lease expense	627	–	–	627
Other expense	2,177	(93)		2,084
Depreciation of PP&E	43,462	(2,431)	–	41,031
Amortization of intangible assets	1,109	–	–	1,109
Changes in fair values of financial instruments and unrealized foreign exchange losses	28,001	–	–	28,001
Share of Joint Venture loss	–	–	1,187	1,187
Loss before income taxes	(55,680)	1,187	(1,187)	(55,680)
Income tax expense (benefit):				
Current	59	–	–	59
Deferred	(7,376)	–	–	(7,376)
	(7,317)	–	–	(7,317)
Loss for the period	(48,363)	1,187	(1,187)	(48,363)
Other comprehensive loss:				
Unrealized foreign currency loss on translation of foreign operations	(1,411)	–	–	(1,411)
Total comprehensive loss	$ (49,774)	$ 1,187	$ (1,187)	$ (49,774)

[1] Refers to income before finance costs, property lease expense, other expense, depreciation of PP&E, amortization of intangible assets, changes in fair values of financial instruments, unrealized foreign exchange losses, share of joint venture and associates loss and income tax expense (benefit).

(In thousands of Canadian dollars, except per unit amounts)

17. IFRS 11 impact on the condensed consolidated interim financial statements (continued):

Condensed consolidated interim balance sheet information, January 1, 2012	December 31, 2011 as previously reported (Pre IFRS 11)	Remove proportionately consolidated Joint Ventures	Investment in Joint Ventures under IFRS	January 1, 2012 (Post IFRS 11)
Assets				
Current assets:				
Cash and cash equivalents	$ 10,687	$ (1,847)	$ –	$ 8,840
Trade and other receivables	13,144	(2,554)	–	10,590
Capital funding receivable	3,743	–	–	3,743
Mezzanine loans	9,653	–	–	9,653
Other assets	27,153	(1,642)	–	25,511
Total current assets	64,380	(6,043)	–	58,337
Non-current assets:				
Other assets	7,344	–	–	7,344
Capital funding receivable	55,377	–	–	55,377
Investment in Joint Ventures	–	–	27,963	27,963
Intangible assets	52,879	–	–	52,879
PP&E	2,526,541	(146,831)	–	2,379,710
Total non-current assets	2,642,141	(146,831)	27,963	2,523,273
Total assets	$ 2,706,521	$ (152,874)	$ 27,963	$ 2,581,610
Liabilities and Unitholders' Equity				
Current liabilities:				
Credit facility	$ 53,000	$ –	$ –	$ 53,000
Accounts payable and other liabilities	112,497	(590)	–	111,907
Distributions payable	6,596	–	–	6,596
Mortgages payable	205,373	(14,223)	–	191,150
Convertible debentures	76,425	–	–	76,425
Deferred consideration on business combinations	5,328	–	–	5,328
Obligations to Joint Venture	–	–	6,676	6,676
Total current liabilities	459,219	(14,813)	6,676	451,082
Non-current liabilities:				
Mortgages payable	1,670,893	(116,774)	–	1,554,119
Class B units	14,292	–	–	14,292
Deferred tax liabilities	26,325	–	–	26,325
Total non-current liabilities	1,711,510	(116,774)	–	1,594,736
Total liabilities	2,170,729	(131,587)	6,676	2,045,818
Unitholders' equity	535,792	–	–	535,792
Total liabilities and unitholders' equity	$ 2,706,521	$ (131,587)	$ 6,676	$ 2,581,610