PARK LAWN COMPANY LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

UNAUDITED

NOTICE TO READER

The management of Park Lawn Company Limited ("the Company") is responsible for the preparation of the accompanying condensed interim consolidated financial statements. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the consolidated financial position, financial performance and cash flows of the Company.

These condensed interim consolidated financial statements have not been reviewed by an auditor. These condensed interim consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items that management considers necessary for a fair presentation of the consolidated financial position, financial performance and cash flows.

Frank Mills President	Larry Boland Vice-President & Treasurer

PARK LAWN COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

ASSETS

	June 30, 2015	December 31, 2014
Current Assets -		
Cash and Cash Equivalents	$ 995	$ 3,340
Accounts Receivable	36,551	40,677
Prepaid Expense	6,881	3,127
	44,427	47,144
Note Due from Park Lawn Limited Partnership (Note 11)	5,096,498	5,096,498
Investment Property Net of Accumulated Depreciation (Note 10)	395,865	399,865
Land Held for Development (Note 9)	2,764,941	2,733,781
	$ 8,301,731	$ 8,277,287

LIABILITIES & SHAREHOLDERS' EQUITY

	June 30, 2015	December 31, 2014
Current Liabilities		
Demand Loan	$ 443,335	$ 383,962
Accounts Payable and Accrued Liabilities	58,063	13,675
Current Portion of Mortgage payable (Note 8)	11,466	11,288
	512,864	408,925
Long Term Portion of Mortgage Payable (Note 8)	249,051	254,837
Shareholders' Equity (Note 7)		
Capital Stock	362,000	362,000
Retained Earnings	7,177,816	7,251,525
	7,539,816	7,613,525
	$ 8,301,731	$ 8,277,287

The accompanying notes are an integral part of these financial statements

ON BEHALF OF THE BOARD

Frank Mills, President

Larry Boland, Vice-President & Treasurer

PARK LAWN COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(UNAUDITED)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Revenue				
Interest from Note	$ 69,885	69,885	$ 139,002	$ 139,002
Rent	4,200	4,200	8,400	8,400
Other Income	-	-	14	101
	74,085	74,085	147,415	$ 147,503
Expenses				
Office, General and Administration	85,460	102,739	204,909	237,023
Interest on Long-Term Debt	2,226	2,320	4,428	4,612
Depreciation	2,000	2,000	4,000	4,000
Rental Property	4,728	1,738	7,787	3,531
	94,414	108,797	221,124	249,166
Net and Comprehensive Income (Loss) before Income Tax	(20,329)	(34,712)	(73,709)	(101,664)
Income tax	-	-	-	-
Net and Comprehensive Income (Loss)	$ (20,329)	$ (34,712)	$ (73,709)	$ (101,664)
Income (Loss) Per Share	$ (0.018)	$ (0.031)	$ (0.065)	$ (0.090)

The accompaning notes are an integral part of these financial statements

PARK LAWN COMPANY LIMITED
CONDENSED INTERMIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(UNAUDITED)

	Number of Shares	Capital Stock	Retained Earnings	Total
Balance at January 1, 2015	1,130,000	$ 362,000	$ 7,251,525	$ 7,613,525
Net income (loss) for the period				
January 1 to March 31, 2015			(53,380)	(53,380)
Balance at March 31, 2015	1,130,000	$ 362,000	$ 7,198,145	$ 7,560,145
Net income (loss) for the period				
April 1 to June 30, 2015			$ (20,329)	$ (20,329)
Balance at June 30, 2015	1,130,000	$ 362,000	$ 7,177,816	$ 7,539,816
Balance at January 1, 2014	1,130,000	$ 362,000	$ 7,356,895	$ 7,718,895
Net income (loss) for the period				
January 1 to December 31, 2014			(105,370)	(105,370)
Balance at December 31, 2014	1,130,000	$ 362,000	$ 7,251,525	$ 7,613,525

PARK LAWN COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(UNAUDITED)

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Cash provided by (used in) operations -				
Net Income (Loss)	$ (20,329)	$ (34,712)	$ (73,709)	$ (101,664)
Add expenses not requiring cash -				
Depreciation	2,000	2,000	4,000	4,000
	(18,329)	(32,712)	(69,709)	(97,664)
Net Increase (Decrease) in working capital items				
Accounts Receivable	487	21,968	4,125	7,068
Accounts Payable and Accrued Liabilities	178	(1,921)	44,565	(18,229)
Prepaid Expense	(5,630)	(5,630)	(3,753)	(3,753)
	(23,294)	(18,294)	(24,771)	(112,578)
Cash provided by (used in) investment activities -				
Land Held for Development	(12,526)	(94,387)	(31,160)	(245,819)
Cash provided by (used in) financing activities -				
Repayment of Mortgage	(2,970)	(2,793)	(5,787)	(5,424)
Borrowings (repayments) under Demand Loan - Net	38,737	115,427	59,373	364,589
	35,767	112,634	53,586	359,166
Increase (Decrease) cash	(52)	(47)	(2,345)	769
Cash at the Beginning of the Period	1,047	3,437	3,340	2,621
Cash at the End of the Period	$ 995	$ 3,390	$ 995	$ 3,390
Supplemental Cash Flow Information:				
Interest Paid	$ 2,226	$ 2,320	$ 4,428	$ 4,612
Income Tax Paid	$ -	$ -	$ -	$ -

The accompaning notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Park Lawn Company Limited ("the Company") owns a 2.9 acre parcel of land at 57 Linelle Street, Toronto, Ontario and holds a Promissory Note in the amount of $5,096,498 issued by Park Lawn Corporation. In August, 2007, the Company purchased the house and land located at 53 Linelle Street, Toronto, Ontario. The property is located immediately adjacent to the 57 Linelle Street property.

Park Lawn Company Limited shares are listed on the Canadian Securities Exchange (CSE) under the symbol PRL.

2. SIGNIFICANT ACCOUNTING POLICIES

a) International Financial Reporting Standards ("IFRS")

i) Basis of Presentation

Unless otherwise noted, all amounts in the accompanying condensed interim consolidated financial statements and these notes are presented in Canadian funds, which is the functional currency of the Company.

The accompanying condensed interim consolidated financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are measured at fair value, as discussed elsewhere in Note 2. Historical cost is generally based on the fair value of the consideration given in exchange for assets received.

ii) Statement of Compliance

The accompanying condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). These condensed interim consolidated financial statements have been consistently prepared in accordance with those IFRS standards and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective or issued and early adopted, for all periods and dates reported, as of August 24, 2015, the date that the Board of Directors approved these statements.

b) Principles of Consolidation

The accompanying condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, (including Kening Properties Limited and Westside Cemetery Holdings Limited). All significant accounts and transactions between consolidated entities are eliminated. Should there be a party with a minority interest in a property that the Company controls, that minority interest would be reflected as "Non-controlling interest" in the accompanying condensed interim consolidated statements of financial position.

c) Use of Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the consolidated statements of financial position and the reported amounts of revenues and expenses during the reporting periods. Should the underlying assumptions change, the actual amounts could differ from those estimates.

Financial statement items subject to significant management judgment include revenue recognition, the valuation of accounts receivable, note due from Park Lawn Limited Partnership and land held for development, the useful lives and depreciation rates and methods of the rental property, the completeness of accounts payable and accrued liabilities and the valuation of deferred income tax assets and liabilities. No assets have been pledged as collateral in respect of the Company's liabilities except as otherwise disclosed in the notes to the accompanying condensed interim consolidated financial statements.

Significant assumptions made by management in the preparation of the accompanying condensed interim consolidated financial statements include:

- The ability of the Company to obtain approval from the City of Toronto for the rezoning of the land held for development from that of mausoleum to residential is uncertain. As of the date that the Board of Directors approved the accompanying consolidated financial statements, management has made submission to the City of Toronto and believes that the Company has made progress toward obtain such rezoning. (See Notes 2 (h) and 9.)
- Management's valuation of the Company's rental property is dependent in part on the assumptions as to current and future market prices for similar real estate assets in the area. As at the date of the Condensed Interim Consolidated Statements of Financial Position, the municipality has assessed the market value of the property at an amount materially in excess of the property's current carrying value. (See Notes 2 (g), 2 (h) and 10.)
- The ability of the counter party to the Company's note receivable to be able to continue to meet its interest obligations as these come due on a monthly basis and to be able to repay the principal portion of the note receivable in full. The counter party has shown no indication of not being able to meet these obligations. (See Note 11.)
- See also Notes 2(d) and 2(e).

d) Revenue Recognition

Revenue is recognized on the rental property as earned on the accrual basis according to the terms of the underlying rental contract when collection is reasonably assured. Interest revenue on the note due from Park Lawn Corporation is recognized on the accrual basis as earned.

e) Income Taxes

The tax expense recognized in net and comprehensive income (loss) comprises the sum of deferred tax and current tax not recognized in other comprehensive income (loss) or directly in equity.

The tax currently payable is based on the taxable income or loss for the period. The taxable income or loss may differ from the income or loss for the period as reported in the accompanying statements of operations and comprehensive income (loss) due to the exclusion, if any, of revenue or expense items that are taxable or deductible in other periods, as well as items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax, if any, is recognized using the liability method on differences between the carrying amounts of assets and liabilities in the accompanying financial statements and their corresponding tax bases.

Deferred tax liabilities, if any, are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income or loss, nor the income or loss for the period reported in the accompanying statements of operations and comprehensive loss.

Deferred tax liabilities, if any, are recognized, where material, for taxable temporary differences associated with investments in subsidiaries and joint ventures, if any, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets, if any, arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that have been enacted or substantively enacted by the end of the reporting period and applicable in the period in which the liability is expected to be settled or the asset realized. Deferred tax liabilities are always recognized in full.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of all or part of the asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Changes in deferred tax assets or liabilities are recognized as a component of taxable revenue or expense in profit or loss, except where these relate to items that are recognized in other comprehensive income (loss) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income (loss) or equity, respectively.

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established, as needed, to reduce future income tax assets to the amount that is more likely than not to be realized. Current income tax liabilities and recoveries are recognized as current liabilities and assets on the accompanying statements of financial position.

f) Earnings (Loss) per Share

Basic loss per share is calculated on the basis of loss attributable to the holders of common shares, divided by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares are exercised or converted to common shares. Diluted loss per share is equal to basic loss per share when the effect of dilutive securities is anti-dilutive.

g) Investment Property and Depreciation

Items of property are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets. The costs of replacing a part of an item of property are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and if its costs can be measured reliably. The carrying amount of the replaced part is derecognized. Costs associated with the day-to-day servicing of property are recognized in operations as incurred. Gains and losses on disposals of property would be determined by comparing the proceeds with the carrying amount of the asset and would be included as part of other gains and losses in the accompanying condensed interim consolidated Statements of Operations. Depreciation is provided for on a straight-line basis over the estimated useful life of the rental property at $8,000 per annum.

h) Impairment Testing of Property

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss would be recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value-in-use.

To determine the value-in-use, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit ("CGU") and reflect their respective risk profiles as assessed by management. For the purpose of assessing impairment, assets are grouped at the cash-generating unit level that is the lowest level for which there are largely independent cash inflows. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses recognized in respect of cash generating units are allocated first to reducing the carrying amount of any goodwill allocated to the CGUs (or group of CGUs) and then to reducing the carrying amount of the other assets in the CGU (or group of CGUs) on a pro-rata basis. Long-lived assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment at each reporting date. For such assets, an impairment charge is reversed if the CGUs or individual asset's recoverable amount exceeds its carrying amount.

i) Cash and Cash Equivalents

Cash is comprised of cash held at two Canadian chartered banks. The Company considers cash equivalents to be highly liquid, near-cash investments with original terms to maturity of three months or fewer. As at June 30, 2015 and 2014, the Company held cash equivalents of $Nil.

j) Comprehensive Income (Loss)

Comprehensive income (loss) comprises net income (loss) and other comprehensive income (loss). Other comprehensive income (loss), if any, represents changes in shareholders' equity and includes foreign exchange gains and losses on the translation of the financial statements of the Company's foreign operations and would be presented as accumulated other comprehensive income (loss). The Company's earnings (loss) per share presented on the accompanying condensed interim consolidated Statements of Operations are based upon its net income (loss) and not its comprehensive income (loss), however the Company has not had material income or losses from these sources of other comprehensive income (loss) and, accordingly, has made no adjustments to the accompanying financial statements.

k) Equity

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. Contributed surplus, if any, would include amounts in connection with conversion options embedded in compound financial instruments, stock-based compensation and the value of warrants. The Company's deficit comprises all current and prior period income and losses.

l) Provisions

Provisions are recognized when the Company has a present legal obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Additionally, the Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

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

m) Impairment - financial assets

Financial assets other than those carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, in which the cash flows can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Company maintains an allowance for doubtful accounts at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than the full amount due on its trade receivables. The Company considers evidence of impairment for receivables at both a specific asset and a collective level. All individually significant receivables are assessed for specific impairment.

Individual overdue accounts are reviewed, and allowances are recorded, to report trade receivables at net realizable value, when it has been determined that they are not collectible in full. All individually significant receivables found not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified. In assessing collective impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses, if any, are recognized in the accompanying condensed interim consolidated Statements of Operations and are reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss would be reversed through the same financial statements.

n) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. Trade-date accounting is used.

At initial recognition, the Company classifies its financial instruments depending on the purpose for which the instruments were acquired, as follows:

(a) Cash, cash equivalents and demand loan are presented at fair value, with changes in fair value being recorded in net income (loss) at each reporting period end.

(b) Accounts receivable and note due from Park Lawn Limited Partnership are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's accounts receivable comprise trade receivables and are included in current assets due to their short-term nature. Accounts receivable and notes due are initially recognized at the amount expected to be received less an allowance to reduce these assets to fair value, if any, and are subsequently measured at amortized cost.

(c) The Company's financial liabilities, other than demand loan, are initially recognized at the amount expected to be paid. Subsequently, trade and other liabilities are measured at amortized cost.

3. FUTURE AND RECENTLY ADOPTED ACCOUNTING POLICY CHANGES

The International Accounting Standards Board ("IASB") issued the following standards, amendments and interpretations as at August 24, 2015 which the Company has adopted.

- IFRS 9 – Financial Instruments, Classification and Measurement ("IFRS 9") contains requirements for financial assets and liabilities. IFRS 9 is part of the IASB wider project to replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. IFRS is effective for annual periods beginning on or after January 1, 2015 and adoption of this standard has not had a material effect.

- IFRS 7, - Financial Instruments Disclosures – Offsetting Financial Assets and Liabilities ("IFRS 7") provides new disclosures requiring entities to disclose gross amounts subject to rights of set off, amounts set off and the related net credit exposure. IFRS 7 will be effective for annual periods beginning on or after January 1, 2015 and adoption of this standard has not had a material effect.

The International Accounting Standards Board ("IASB") has issued the following new standards, amendments and interpretations.

- IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

  IFRS 15 replaces IAS 11, *Construction Contracts*, and IAS 18, *Revenue*, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosures. Adoption of IFRS 15 is mandatory and will be effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company's consolidated financial statements and related note disclosures.

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

  The IASB has amended IFRS 11 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments will be effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. The Company is currently assessing the impact of these amendments on the Company's consolidated financial statements and related note disclosures.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise cash and cash equivalents, accounts receivables, note due from Park Lawn Limited Partnership, demand loan, accounts payable and accrued liabilities, and mortgage payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted, due to their short-term maturities or interest rates which management believes approximate those of similar instruments in the current market. Except as otherwise noted, the Company is not exposed to significant risks in relation to its financial instruments.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. There have been no changes to the Company's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, polices and processes in the management of its financial instruments from that of the prior reporting period.

The fair value of the note due from Park Lawn Limited Partnership constitutes an amount due from a related party as disclosed in Note 11. There is no active and visible market for instruments of these types. In the opinion of management, these instruments are carried at fair value due to their terms and interest rate.

The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Credit risk
Concentration of credit risk relates primarily to the Company's trade receivables, as the receivables principally derive from one source: rental operations. The allowance for doubtful accounts was immaterial at the reporting dates. There is no indication, as at these dates, that the debtors will not meet their obligations, except as has been provided for as bad debts during the reporting periods. Bad debt expenses were immaterial for both years. The Company manages its credit risk relating to its trade receivables through credit approval and monitoring procedures, including senior management prior approval of all rental contracts. Such approvals are based on trade information, payment history, credit rating and financial analysis, where possible.

At June 30, 2015, no material amounts, individually or in aggregate, of accounts receivable, were due beyond their stated payment terms, and none were considered impaired. Management believes that earning revenues through its current channels does not represent a significant credit risk to the Company.

Investment risk
The Board of Directors of the Company regularly reviews both compliance and performance of the investments in the note due from Park Lawn Limited Partnership. The Company does not consider there to be a significant credit risk for its investments based on investment grade ratings and performance criteria used in selecting these investments.

Liquidity risk
The Company is exposed to liquidity risk to the extent that it must meet its financial obligations as and when due. The Company's approach to managing liquidity risk is to ensure that it always has sufficient cash and other current financial assets to meet its obligations when due without incurring unacceptable losses or damage to the Company's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through combination of cash management and access to additional capital.

Management is of the view, based on historical cash flow, that there is sufficient current and future cash flow from its operating activities, investments and demand loan to sustain ongoing operations as well as maintaining the Company's rental property. Should contractual commitments require payment, management believes that its current sources of liquidity are sufficient to cover these obligations.

The Company will be required to incur additional debt related to the retention of consultants to complete the application for Official Plan and Zoning By-Law amendments related to the development of 57 Linelle Street, Toronto, Ontario.

A maturity analysis of the payments required under long-term debt is presented in Note 8. It is the intention of the Company to negotiate renewal of this debt beyond its current maturity date and the Company believes that it has sufficient assets to facilitate this renewal.

Market risk
The Company does not believe that it has exposure to market risk with respect to the rental property at 53 Linelle Street except that a small risk is present if the rental market should change.

In the event the Company is successful in getting approval for the development of a town house project at 57 Linelle Street, the value of the property will be subject to the risks associated with residential real estate development in Toronto.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company has no variable market interest rate loans outstanding.

Fair value Hierarchy
The following summarizes the Company's financial instruments that are carried at fair values according to the fair value hierarchy, which comprises the following levels. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's only financial instruments that are carried at fair value under the hierarchy are cash and cash equivalents which are Level 2 instruments.

Derecognition of financial instruments
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

5. CAPITAL DISCLOSURES

The Company defines capital as the aggregate of shareholder equity and debt. The Company's equity comprises the shares of the Company subscribed by the shareholders and retained earnings. The Board of Directors manages the dividend policy and the pricing of products and services of the Company so as to ensure that there is adequate cash flow to fund the Company's operations and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders.

The Company is currently not dependent on external financing to fund its activities, except for its demand loan and mortgage payable. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the periods ended June 30, 2015 and 2014. The Company is not subject to externally imposed capital requirements.

6. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2015, the Company paid cash remuneration of $154,150 (2014 - $154,150) to Scotchbrook Holdings Inc. ("Scotchbrook") for management and professional services in relation to the Company's operations under a contract that expires in December 2015. Scotchbrook is owned by a director and officer of the Company. These transactions were in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

7. SHAREHOLDERS' EQUITY

The Company's authorized share capital comprises an unlimited number of common shares of which 1,130,000 are issued and outstanding. This figure forms the basis for the determination of net income (loss) per share for the six months ended June 30, 2015 and 2014. There was no change in the balance of common shares outstanding for the period January 1, 2015 to June 30, 2015.

8. MORTGAGE PAYABLE

The Company has one mortgage as follows:

Mortgage on 53 Linelle Street:

This mortgage is secured by a first mortgage on this property bearing interest at 3.39% per annum. The mortgage is amortized over 25 years and is due July 16, 2017. Monthly blended payments of principal and interest are $1,673. The remaining principal payments for the following calendar years are:

2015	5,679
2016	11,572
2017	243,266

9. LAND HELD FOR DEVELOPMENT

The land held for development is recorded at cost plus development expenditures. It is located at 57 Linelle Street, Toronto and comprises a 2.9 acre parcel of land adjoining the south-west section of Forest Lawn Mausoleum.

The board of directors authorized management to proceed with an application for an amendment to the City of Toronto Official Plan and Zoning Bylaw for the Company's 2.9 acre parcel of land. The Company wishes to use the land for residential purposes. The land, which was previously zoned to permit residential uses, was rezoned in 1993 to permit the development of a two-story mausoleum structure of approximately 186,000 square feet. At that time a one-foot reserve was granted to the City of Toronto blocking access to the site from Linelle Street. Access to the site is currently available by means of an access easement with Park Lawn Corporation which owns the mausoleum buildings to the north of the site.

The application for amendment to the Official Plan and Zoning By-law, which was filed in February 2013, will attempt to have the access to Linelle Street opened. There is no guarantee that the necessary municipal approvals will be received in which case the Company will explore uses for the property that comply with the current zoning.

On April 29, 2015 Park Lawn Company Limited announced that it had retained the services of MarketVision Real Estate Corporation to identify potential partners for a joint venture building arrangement or some other form of strategic alliance arrangement for the development of its property.

On June 15, 2015 the Company announced that it has entered into a Letter of Intent with Mattamy Development Corporation. It is the intention of the parties to enter into a joint venture agreement for the development of the Company's property at 57 Linelle Street. The Letter of Intent provides for a number of conditions related to the development of the site to be satisfied prior to proceeding with the joint venture.

10. INVESTMENT PROPERTY

	June 30, 2015		
	Cost	Accumulated Depreciation	Net Book Value
Rental property	$436,865	$41,000	$395,865

	December 31, 2014		
	Cost	Accumulated Depreciation	Net Book Value
Rental property	$436,865	$37,000	$399,865

11. NOTE DUE FROM PARK LAWN LIMITED PARTNERSHIP

In consideration for a transfer of assets, Park Lawn Limited Partnership issued to Park Lawn Company Limited a subordinated, secured promissory note having an initial term of ten years bearing interest of 5.5% per annum. The promissory note may be repaid at any time without penalty and it is automatically renewable after the expiration of the initial term for an additional ten years with an interest rate equal to the rate that is 1.25% above the interest rate for a 10-year Government of Canada bonds at the time of renewal. This note may not be called prior to maturity date.

In June, 2012, the Company received a principal payment on the promissory note from Park Lawn Corporation of $566,277. As part of the long-term debt refinancing of Park Lawn Corporation, the Company was required to execute a postponement agreement. An agreement was negotiated to allow for the payment of 10% of the outstanding balance on the promissory note.

12. DEMAND LOAN

The Company has available to it a credit facility to a maximum of $500,000 as a demand revolving loan carrying interest at the bank's prime plus 1% per annum, payable monthly. This credit facility had been secured by a General Security Agreement over all of the Company's property at 57 Linelle Street, Toronto, Ontario. At June 30, 2015 there was $443,335 outstanding.

13. INCOME TAXES

The Company has incurred losses for income tax purposes. These losses may be applied against income from future years to reduce current income taxes payable. The benefits of these losses have not been recognized in the accompanying condensed interim consolidated statements of financial position.

Tax Year	Amount	Date Expires
Jan. 1 - Dec. 31, 2010	$13,753	2030
Jan. 1 - Dec. 31, 2011	17,391	2031
Jan. 1 - Dec. 31, 2012	35,449	2032
Jan. 1 - Dec. 31, 2013	40,324	2033
Jan. 1 – Dec 31, 2014	105,370	2034