

Financial Statements of

UNIWIN STUDENT PUB INC.

April 30, 2005

UNIWIN STUDENT PUB INC.

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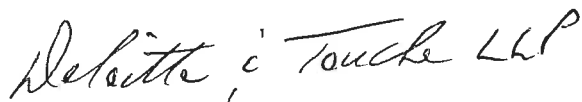
Review Engagement Report

To the Shareholder of
Uniwin Student Pub Inc.

We have reviewed the balance sheet of Uniwin Student Pub Inc. as at April 30, 2005 and the statements of loss and deficit and of cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
August 12, 2005

UNIWIN STUDENT PUB INC.**Statement of Loss and Deficit**

Year Ended April 30, 2005

(Unaudited)

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	2005	2004
SALES (Schedule 1)	\$ 545,957	\$ 552,619
COST OF GOODS SOLD (Schedule 1)	277,960	306,901
GROSS PROFIT (Schedule 1)	267,997	245,718
OTHER REVENUE		
Game machine commissions	4,240	2,184
Miscellaneous	11,544	12,518
REVENUE BEFORE EXPENSES	283,781	260,420
EXPENSES		
Salaries, wages and employee benefits	194,422	252,051
Entertainment, advertising and promotion	28,340	32,433
General insurance	20,884	14,885
Police services	11,219	14,854
Repairs and maintenance	6,106	8,452
Professional fees	6,063	5,000
Bank charges and interest	5,052	5,958
Bar supplies and laundry	4,693	7,041
Memberships	4,189	2,068
Office supplies and miscellaneous	3,110	7,557
Training and travel	1,262	2,043
Telephone	1,020	1,478
Equipment rental	467	1,059
Rent	360	8,326
Bad debts	-	2,282
	287,187	365,487
LOSS BEFORE OTHER EXPENSE	(3,406)	(105,067)
Writedown of capital assets	-	16,583
NET LOSS FOR THE YEAR	(3,406)	(121,650)
DEFICIT, BEGINNING OF YEAR	(740,696)	(619,046)
DEFICIT, END OF YEAR	\$ (744,102)	\$ (740,696)

UNIWIN STUDENT PUB INC.

Balance Sheet

April 30, 2005

(Unaudited)

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	2005	2004
ASSETS		
CURRENT		
Cash	\$ 31,182	\$ 26,827
Accounts receivable	5,210	1,961
Inventories	7,145	12,853
Prepaid expenses	1,476	1,079
	\$ 45,013	\$ 42,720
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,960	\$ 30,099
Goods and services tax payable	8,342	6,397
Sales tax payable	3,871	1,975
Due to The University of Windsor Students' Alliance (Note 4)	677,926	708,583
	722,099	747,054
CAPITAL DEFICIENCY		
SHARE CAPITAL		
Authorized (Note 5)		
Issued		
- 100 Class A shares	100	100
CONTRIBUTED SURPLUS (Note 6)	66,916	36,262
DEFICIT	(744,102)	(740,696)
	(677,086)	(704,334)
	\$ 45,013	\$ 42,720

ON BEHALF OF THE BOARD

..... Director

..... Director

UNIWIN STUDENT PUB INC.**Statement of Cash Flows**

Year Ended April 30, 2005

(Unaudited)

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	2005	2004
CASH INFLOW (OUTFLOW) FROM THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Net loss	\$ (3,406)	\$ (121,650)
Adjustment for non-cash transaction:		
Writedown of capital assets	-	16,583
	(3,406)	(105,067)
Changes in non-cash working capital components (Note 7)	7,764	2,364
	4,358	(102,703)
FINANCING ACTIVITIES		
Advances (to) from shareholder	(3)	124,821
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,355	22,118
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	26,827	4,709
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 31,182	\$ 26,827

Refer to Note 7 for supplemental cash flow information.

UNIWIN STUDENT PUB INC.

Notes to the Financial Statements

April 30, 2005

(Unaudited)

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1. DESCRIPTION OF BUSINESS

The company, incorporated under the Business Corporations Act (Ontario), operates an on-campus restaurant and bar in the basement of the CAW Student Centre at the University of Windsor.

2. OPERATING AGREEMENT

The company is run under an operating agreement with the University of Windsor Students' Alliance and the University of Windsor which was subject to an additional five year renewal on June 30, 2004. As of August 12, 2005 the expired operating agreement had not been renewed.

The company distributes net earnings or losses for the year to the University of Windsor Students' Alliance as consideration for management services.

Effective August 31, 1999 The University of Windsor assigned its shares in the Uniwin Student Pub Inc. to the University of Windsor Students' Alliance in exchange for forgiveness of all monies owed by or to the Uniwin Student Pub Inc., under specified terms.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going-concern", which assume that the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of its operations.

The company has accumulated a deficit which has been funded by advances from the University of Windsor Students' Alliance.

The ability of the company to finance its ongoing operations is dependent upon the continued support of the University of Windsor Students' Alliance to provide the necessary working capital when required, until such point when profitable operations can be achieved in order to repay advances.

These financial statements do not reflect adjustments that would be necessary if the "going-concern" assumption was not appropriate because management believes that the actions already taken, or planned, will mitigate the adverse conditions and events which raise doubts about the validity of the "going-concern" assumption used in preparing these financial statements.

(b) Inventories

Inventories are valued at the lower of cost and net realizable value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks with maturities of 90 days or less.

(d) Use of significant accounting estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

(e) Revenue recognition

The company recognizes revenue when persuasive evidence of an arrangement exists, services are performed, the price to the customer is fixed or determinable, and collection is reasonably assured.

4. RELATED PARTY TRANSACTIONS

(a) During the year, the University of Windsor Students' Alliance advanced \$1,819 (2004 - \$124,821) to the company in order to meet payroll obligations and other operating expenses. The outstanding balances are interest free and with no specific repayment terms.

(b) Included in accounts receivable is a balance owing from the University of Windsor Students' Alliance totaling \$2,893 (2004 - \$160).

(c) Included in accounts payable and accrued liabilities is \$18,586 (2004 - \$18,533) owing to the University of Windsor Students' Alliance.

(d) The company has granted general security agreements over all of the assets of the company to the University of Windsor Students' Alliance.

(e) Equipment with a net book value of \$61,090 (2004 - \$66,391) owned by the University of Windsor Students' Alliance was provided to the company for its use. The University of Windsor Students' Alliance has not charged any rent to the company for the use of this equipment.

UNIWIN STUDENT PUB INC.

Notes to the Financial Statements

April 30, 2005

(Unaudited)

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5. SHARE CAPITAL

Authorized

- An unlimited number of Class A, voting, common shares
- An unlimited number of Class B shares, non-voting, redeemable and retractable at the paid up capital plus declared and unpaid dividends, non-cumulative dividends at an annual rate of 10%
- An unlimited number of Class C shares, non-voting, fully participating

Issued

- 100 Class A shares

6. CONTRIBUTED SURPLUS

Effective August 31, 1999, the University of Windsor assigned its shares in the company to the University of Windsor Students Alliance in exchange for a forgiveness of all monies owed to or by the company to the University of Windsor. Accordingly, the balance due to the University of Windsor has been converted to contributed surplus.

During 2005, the company wrote off a \$30,654 payable to a related party (see Note 7) and recorded the offsetting amount to contributed surplus.

7. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating working capital components

	2005	2004
<i>Decrease (increase) in current assets</i>		
Accounts receivable	\$ (3,249)	\$ 744
Prepaid expenses	(397)	(1,079)
Inventories	5,708	10,684
<i>Increase (decrease) in current liabilities</i>		
Accounts payable and accrued liabilities	1,861	(5,297)
Goods and services tax payable	1,945	(615)
Sales tax payable	1,896	(2,073)
	\$ 7,764	\$ 2,364

During the year, the company wrote off an amount payable to the University of Windsor Students' Alliance in the amount of \$30,654 (2004 - \$Nil) and recorded the credit against contributed surplus. The payable related to capital assets transferred to the company in prior years. The company no longer holds capital asset amounts on its balance sheet and does not anticipate repaying the \$30,654 to the University of Windsor Students' Alliance.

UNIWIN STUDENT PUB INC.
Notes to the Financial Statements
April 30, 2005
(Unaudited)

8. INCOME TAXES

As of April 30, 2005, the company has cumulative income tax losses of \$661,139 (2004 - \$704,850), which may be used to reduce future years' taxable income. The potential benefits resulting from these tax losses have not been recognized in the accounts. These losses expire as follows:

2006	\$ 116,535
2007	55,820
2008	81,458
2009	177,723
2010	121,130
2011 and beyond	<u>108,473</u>
	<u>\$ 661,139</u>

9. FINANCIAL INSTRUMENTS

Fair value

The fair value of current financial assets and liabilities approximates their carrying value due to the short-term nature of their maturity.

The fair value of the long-term liability owed to the University of Windsor Students' Alliance cannot be determined as it is not practicable to do so. The loan payable bears no fixed rate of interest and no specific terms of repayment.

UNIWIN STUDENT PUB INC.
Schedule of Sales and Cost of Sales
Year Ended April 30, 2005
(Unaudited)

Schedule 1

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	BEER	LIQUOR	FOOD AND OTHER	TOTAL 2005
SALES	\$ 219,155	\$ 163,457	\$ 163,345	\$ 545,957
COST OF SALES	126,670	54,534	96,756	277,960
GROSS PROFIT	\$ 92,485	\$ 108,923	\$ 66,589	\$ 267,997
GROSS PROFIT %	42%	67%	41%	49%

	BEER	LIQUOR	FOOD AND OTHER	TOTAL 2004
SALES	\$ 192,791	\$ 152,117	\$ 207,711	\$ 552,619
COST OF SALES	116,513	56,391	133,997	306,901
GROSS PROFIT	\$ 76,278	\$ 95,726	\$ 73,714	\$ 245,718
GROSS PROFIT %	40%	63%	35%	44%