

UNIWIN STUDENT PUB INC.

**REVIEW ENGAGEMENT REPORT AND
FINANCIAL STATEMENTS**

APRIL 30, 2009

REVIEW ENGAGEMENT REPORT

To the President of
Uniwin Student Pub Inc.

We have reviewed the balance sheet of Uniwin Student Pub Inc. as at April 30, 2009 and the statements of income, retained earnings and 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.

Collins Barrow Windsor LLP

Licensed Public Accountants

June 30, 2009

UNIWIN STUDENT PUB INC.

FINANCIAL STATEMENTS

(Unaudited)

APRIL 30, 2009

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UNIWIN STUDENT PUB INC.

STATEMENT OF INCOME

(Unaudited)

YEAR ENDED APRIL 30, 2009

| | 2009 | 2008 |
|---------------------------|--------------------|--------------------|
| REVENUE | | |
| Beer | \$ 123,573 | \$ 172,108 |
| Food and other | 229,668 | 201,701 |
| Liquor | <u>105,186</u> | <u>137,765</u> |
| | <u>458,427</u> | <u>511,574</u> |
| COST OF SALES | | |
| | <u>256,725</u> | <u>325,924</u> |
| GROSS PROFIT | | |
| | <u>201,702</u> | <u>185,650</u> |
| EXPENSES | | |
| Advertising and promotion | 1,474 | 6,991 |
| Bad debts | 253 | 2,915 |
| Bar supplies and laundry | - | 465 |
| Equipment rental | 199 | 2,643 |
| Insurance | 2,537 | 12,000 |
| Interest and bank charges | 6,215 | 6,512 |
| Memberships | 3,416 | 436 |
| Office and sundry | 3,738 | 9,224 |
| Police services | 7,147 | 4,177 |
| Professional fees | 2,000 | - |
| Production costs | 7,448 | 11,466 |
| Repairs and maintenance | 4,995 | 2,650 |
| Salaries and benefits | 221,313 | 220,097 |
| Telephone | 417 | 1,112 |
| Training and travel | <u>702</u> | <u>290</u> |
| | <u>261,854</u> | <u>280,978</u> |
| | (60,152) | (95,328) |
| OTHER INCOME | <u>17,727</u> | <u>14,105</u> |
| NET LOSS | <u>\$ (42,425)</u> | <u>\$ (81,223)</u> |

UNIWIN STUDENT PUB INC.**STATEMENT OF RETAINED EARNINGS**
(Unaudited)**YEAR ENDED APRIL 30, 2009**

| | 2009 | 2008 |
|---------------------------|---------------------|---------------------|
| DEFICIT, BEGINNING | \$ (880,186) | \$ (798,963) |
| NET LOSS | <u>(42,425)</u> | <u>(81,223)</u> |
| DEFICIT, ENDING | <u>\$ (922,611)</u> | <u>\$ (880,186)</u> |

UNIWIN STUDENT PUB INC.

BALANCE SHEET
(Unaudited)

APRIL 30, 2009

| | 2009 | 2008 |
|---|------------------|------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 12,005 | \$ 7,567 |
| Accounts receivable | 10,246 | 3,968 |
| Inventories | <u>7,513</u> | <u>1,008</u> |
| | <u>\$ 29,764</u> | <u>\$ 12,543</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued charges | \$ 23,093 | \$ 18,581 |
| Due to the University of Windsor Students' Alliance (note 9) | <u>862,266</u> | <u>807,132</u> |
| | <u>885,359</u> | <u>825,713</u> |
| SHAREHOLDERS' DEFICIENCY | | |
| CAPITAL STOCK (note 6) | 100 | 100 |
| CONTRIBUTED SURPLUS | 66,916 | 66,916 |
| DEFICIT | <u>(922,611)</u> | <u>(880,186)</u> |
| | <u>(855,595)</u> | <u>(813,170)</u> |
| | <u>\$ 29,764</u> | <u>\$ 12,543</u> |

ON BEHALF OF THE BOARD

Director_____
Director

UNIWIN STUDENT PUB INC.

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED APRIL 30, 2009

| | 2009 | 2008 |
|---|------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | \$ 470,129 | \$ 530,148 |
| Cash paid to suppliers and employees | (514,610) | (588,661) |
| Interest paid | <u>(6,215)</u> | <u>(6,512)</u> |
| | (50,696) | (65,025) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Advance from University of Windsor Students' Alliance | <u>55,134</u> | <u>56,000</u> |
| INCREASE (DECREASE) IN CASH POSITION | 4,438 | (9,025) |
| CASH POSITION, BEGINNING | <u>7,567</u> | <u>16,592</u> |
| CASH POSITION, ENDING | <u>\$ 12,005</u> | <u>\$ 7,567</u> |

UNIWIN STUDENT PUB INC.**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

APRIL 30, 2009

1. NATURE OF ACTIVITIES

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

2. SIGNIFICANT ACCOUNTING POLICIES

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.

Management has assessed the company has the ability to sustain future operations and continue as a going concern for at least the ensuing twelve month period. Management is confident that it will be able to sustain its current arrangement with 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.

There is no certainty the going concern assumption is sustainable. 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.

INVENTORIES

Inventories of raw materials are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Reversals of previous write-downs to net realizable value are permitted when there is a subsequent increase in the value of inventories.

UNIWIN STUDENT PUB INC.**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

APRIL 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES-continued

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.

FINANCIAL INSTRUMENTS

Financial instruments are recorded at cost, less any impairment in value.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. NEW ACCOUNTING POLICIES

CAPITAL DISCLOSURES

Effective May 1, 2008, the company adopted the recommendations of CICA Handbook *Section 1535, Capital Disclosures* for non-publicly accountable entities. This section requires additional disclosures for externally imposed capital requirements, whether the entity has complied with those requirements, and if it has not complied, the consequences of such non-compliance. Adoption of this standard had no impact on the company's financial statement disclosures.

UNIWIN STUDENT PUB INC.**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

APRIL 30, 2009

3. NEW ACCOUNTING POLICIES - continued

GOING CONCERN

Effective May 1, 2008, the company adopted the recommendations of CICA Handbook *Section 1400, General Standards of Financial Statement Presentation*, to change the guidance related to management's responsibility to assess the ability of the entity to continue as a going concern. Management is required to make an assessment of an entity's ability to continue as a going concern and should take into account all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. Disclosure is required of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Adoption of this standard can be found in note 2.

INVENTORIES

Effective May 1, 2008, the company adopted the recommendations of CICA Handbook *Section 3031, Inventories*. This section prescribes the measure of inventories at the lower of cost or net realizable value, with guidance on the determination of cost including allocation of overheads and other costs to inventory. Reversals of previous write-downs to net realizable value are permitted when there is a subsequent increase in the value of inventories. Adoption of the standard had no impact on the company's financial statements.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

GOODWILL AND INTANGIBLE ASSETS

As of May 1, 2009, the company will be required to adopt CICA Handbook *Section 3064, Goodwill and Intangible Assets*, which will replace the existing standard. The new standard revises the requirement for recognition, measurement and presentation and disclosure of intangible assets. The adoption of this standard is not expected to have a material impact on the company's financial statements.

UNIWIN STUDENT PUB INC.**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

APRIL 30, 2009**5. 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 June 30, 2009 the expired operating agreement had not been renewed.

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. Accordingly, the balance due to the University of Windsor has been converted to contributed surplus.

| 6. CAPITAL STOCK | 2009 | 2008 |
|-------------------------|-------------|-------------|
|-------------------------|-------------|-------------|

AUTHORIZED

Unlimited Class A, voting, common shares

Unlimited Class B, non-voting, redeemable and retractable at the paid
up capital plus declared and unpaid dividends, non-
cumulative dividends at an annual rate of 10%

Unlimited Class C shares, non-voting, fully participating

ISSUED

| | | | |
|-----|-----------------------|---------------|---------------|
| 100 | Class A common shares | \$ <u>100</u> | \$ <u>100</u> |
|-----|-----------------------|---------------|---------------|

7. COMPARATIVE FIGURES

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

UNIWIN STUDENT PUB INC.**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

APRIL 30, 2009**8. TAX BENEFITS AVAILABLE**

The financial statements do not reflect potential tax reductions available through the application of losses carried forward against future years' earnings otherwise subject to income tax. These losses expire as follows:

Expiry Date

| | |
|------|-------------------|
| 2010 | \$ 177,723 |
| 2011 | 121,130 |
| 2015 | 105,067 |
| 2016 | 3,406 |
| 2017 | 58,412 |
| 2018 | 81,233 |
| 2019 | <u>42,426</u> |
| | <u>\$ 589,397</u> |

9. RELATED PARTY TRANSACTIONS

Amounts due to the University of Windsor Students' Alliance are unsecured, interest free and with no specific terms of repayment.

Included in accounts receivable is a balance owing from the University of Windsor Students' Alliance of \$1,181 (2008 - \$1,780).

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

Equipment with a net book value of \$40,991 (2008 - \$42,563) 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 or its premises or administrative services provided.

UNIWIN STUDENT PUB INC.**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

APRIL 30, 2009

10. FINANCIAL INSTRUMENTS

Fair value estimates are made as of a specific point in time, using available information about the instrument. These estimates are subjective in nature and often cannot be determined with precision.

The company has determined that the carrying value of cash, accounts receivable and accounts payable and accrued charges approximate their fair value at the balance sheet date because of the short-term maturity of those instruments.

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 rate of interest and no specific terms of repayment.

Credit risk arises from the potential that a customer will fail to perform its obligation. The company has a sufficient number of diverse customers so the concentration of risk is minimized.