

UNIWIN STUDENT PUB INC.

**REVIEW ENGAGEMENT REPORT AND
FINANCIAL STATEMENTS**

APRIL 30, 2011

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, 2011 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 inquiry, 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

August 9, 2011

UNIWIN STUDENT PUB INC.

FINANCIAL STATEMENTS
(Unaudited)

APRIL 30, 2011

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UNIWIN STUDENT PUB INC.

STATEMENT OF INCOME

(Unaudited)

YEAR ENDED APRIL 30, 2011

	2011	2010
REVENUE		
Beer	\$ 135,576	\$ 116,442
Food and other	348,622	481,876
Liquor	<u>68,253</u>	<u>67,426</u>
	<u>552,451</u>	<u>665,744</u>
COST OF SALES		
	<u>301,683</u>	<u>354,380</u>
GROSS PROFIT		
	<u>250,768</u>	<u>311,364</u>
EXPENSES		
Advertising and promotion	13,990	13,396
Bar supplies and laundry	1,038	-
Equipment rental	366	-
Insurance	3,000	5,000
Interest and bank charges	6,903	6,577
Memberships	-	2,000
Office and sundry	1,750	6,216
Police services	7,624	3,584
Professional fees	2,000	2,000
Production costs	4,550	3,363
Repairs and maintenance	1,640	2,718
Salaries and benefits	312,697	281,252
Telephone	476	440
Training and travel	<u>805</u>	<u>40</u>
	<u>356,839</u>	<u>326,586</u>
	(106,071)	(15,222)
OTHER INCOME		
	<u>11,854</u>	<u>11,648</u>
NET LOSS		
	<u>\$ (94,217)</u>	<u>\$ (3,574)</u>

See Accompanying Notes

UNIWIN STUDENT PUB INC.**STATEMENT OF RETAINED EARNINGS**
(Unaudited)**YEAR ENDED APRIL 30, 2011**

	2011	2010
DEFICIT, BEGINNING	\$ (926,186)	\$ (922,612)
NET LOSS	<u>(94,217)</u>	<u>(3,574)</u>
DEFICIT, ENDING	<u>\$ (1,020,403)</u>	<u>\$ (926,186)</u>

See Accompanying Notes

UNIWIN STUDENT PUB INC.

BALANCE SHEET

(Unaudited)

APRIL 30, 2011

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 21,196	\$ 26,413
Accounts receivable	3,937	432
Inventories	18,379	16,018
Prepaid expenses	<u>2,776</u>	<u>4,933</u>
	<u>\$ 46,288</u>	<u>\$ 47,796</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 34,085	\$ 34,268
Due to the University of Windsor Students' Alliance (note 8)	<u>965,590</u>	<u>872,698</u>
	<u>999,675</u>	<u>906,966</u>
SHAREHOLDERS' DEFICIENCY		
CAPITAL STOCK (note 6)	100	100
CONTRIBUTED SURPLUS	66,916	66,916
DEFICIT	<u>(1,020,403)</u>	<u>(926,186)</u>
	<u>(953,387)</u>	<u>(859,170)</u>
	<u>\$ 46,288</u>	<u>\$ 47,796</u>

ON BEHALF OF THE BOARD

Director_____
Director

See Accompanying Notes

UNIWIN STUDENT PUB INC.

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED APRIL 30, 2011

	2011	2010
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 560,800	\$ 687,206
Cash paid to suppliers and employees	(652,006)	(676,653)
Interest paid	<u>(6,903)</u>	<u>(6,577)</u>
	<u>(98,109)</u>	<u>3,976</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from University of Windsor Students' Alliance	<u>92,892</u>	<u>10,432</u>
INCREASE (DECREASE) IN CASH POSITION	(5,217)	14,408
CASH POSITION, BEGINNING	<u>26,413</u>	<u>12,005</u>
CASH POSITION, ENDING	<u>\$ 21,196</u>	<u>\$ 26,413</u>

See Accompanying Notes

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

(Unaudited)

APRIL 30, 2011

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 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.

See Accompanying Notes

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

(Unaudited)

APRIL 30, 2011

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.

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

(Unaudited)

APRIL 30, 2011

3. FUTURE ACCOUNTING PRONOUNCEMENTS

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

The Canadian Institute of Chartered Accountants has recently issued CICA Handbook section 1582, Business Combinations, section 1601, Consolidated Financial Statements, and section 1602, Non-Controlling Interests. These new sections replace the currently existing standards in CICA Handbook section 1581, Business Combinations, and section 1600, Consolidated Financial Statements. These new standards are effective for fiscal periods beginning on or after January 1, 2011, however, early adoption is permitted. Once adopted, these standards will be harmonized with international financial reporting standards.

Section 1582 amends the standards for measurement, presentation and disclosure of a business combination. A number of changes are specified, including an expanded definition of a business, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses.

These standards will require a change in the measurement and presentation of non-controlling interest. As a result of these changes, net earnings will include 100% of the subsidiary's results and non-controlling interest will be presented as part of shareholders' equity on the balance sheet.

The company is currently assessing the impact of these new accounting standards on its financial statements.

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

(Unaudited)

APRIL 30, 2011

3. FUTURE ACCOUNTING PRONOUNCEMENTS - continued

Private Entity GAAP

The Canadian Institute of Chartered Accountants has recently issued a comprehensive set of new accounting standards for private enterprises effective for fiscal periods beginning on or after January 1, 2011. Early adoption is permitted. The company is currently determining an appropriate adoption date as well as analyzing the effects of these changes on its financial statements.

Key differences between the accounting standards for private enterprises and current Canadian GAAP include the following:

- ◆ recognition, measurement and presentation simplification in the following areas:
 - ◆ financial instruments;
 - ◆ asset retirement obligations;
 - ◆ employee future benefits;
 - ◆ goodwill and other intangible assets;
 - ◆ income taxes;
 - ◆ stock-based compensation;
 - ◆ subsidiaries;
 - ◆ investments; and
 - ◆ joint ventures;
- ◆ reduce disclosures required in the financial statements; and
- ◆ elimination of EIC Abstracts as they currently exist in the Handbook.

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

(Unaudited)

APRIL 30, 2011**4. 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 9, 2011 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.

5. CAPITAL STOCK	2011	2010
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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>
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6. 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, 2011**7. 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:

2014	\$ 105,067
2015	3,406
2027	58,412
2028	81,233
2029	42,426
2030	3,574
2031	<u>94,217</u>
	<u>\$ 388,335</u>

8. RELATED PARTY TRANSACTIONS

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

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 \$92,542 (2010 - \$62,624) 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, 2011

9. 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.