

**UNIWIN STUDENT PUB INC.**

**REVIEW ENGAGEMENT REPORT AND  
FINANCIAL STATEMENTS**

**APRIL 30, 2010**

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## REVIEW ENGAGEMENT REPORT

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To the President of  
Uniwin Student Pub Inc.

We have reviewed the balance sheet of Uniwin Student Pub Inc. as at April 30, 2010 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 Borneo Windsor LLP*

June 18, 2010

Licensed Public Accountants

**UNIWIN STUDENT PUB INC.**

**FINANCIAL STATEMENTS**  
(Unaudited)

**APRIL 30, 2010**

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**UNIWIN STUDENT PUB INC.****STATEMENT OF INCOME**

(Unaudited)

**YEAR ENDED APRIL 30, 2010**

	<b>2010</b>	<b>2009</b>
<hr/>		
<b>REVENUE</b>		
Beer	\$ 116,442	\$ 123,573
Food and other	443,067	229,668
Liquor	<u>106,235</u>	<u>105,186</u>
	<u>665,744</u>	<u>458,427</u>
<b>COST OF SALES</b>	<u>354,380</u>	<u>256,725</u>
<b>GROSS PROFIT</b>	<u>311,364</u>	<u>201,702</u>
<b>EXPENSES</b>		
Advertising and promotion	13,396	1,474
Bad debts	-	253
Equipment rental	-	199
Insurance	5,000	2,537
Interest and bank charges	6,577	6,215
Memberships	2,000	3,416
Office and sundry	6,216	3,738
Police services	3,584	7,147
Professional fees	2,000	2,000
Production costs	3,363	7,448
Repairs and maintenance	2,718	4,995
Salaries and benefits	281,252	221,313
Telephone	440	417
Training and travel	<u>40</u>	<u>702</u>
	<u>326,586</u>	<u>261,854</u>
	(15,222)	(60,152)
<b>OTHER INCOME</b>	<u>11,648</u>	<u>17,727</u>
<b>NET LOSS</b>	<u>\$ (3,574)</u>	<u>\$ (42,425)</u>

**UNIWIN STUDENT PUB INC.****STATEMENT OF RETAINED EARNINGS**

(Unaudited)

**YEAR ENDED APRIL 30, 2010**

	<b>2010</b>	<b>2009</b>
<b>DEFICIT, BEGINNING</b>	\$ (922,611)	\$ (880,186)
<b>NET LOSS</b>	<u>(3,574)</u>	<u>(42,425)</u>
<b>DEFICIT, ENDING</b>	<u>\$ (926,185)</u>	<u>\$ (922,611)</u>

**UNIWIN STUDENT PUB INC.****BALANCE SHEET**

(Unaudited)

**APRIL 30, 2010****2010****2009****ASSETS****CURRENT ASSETS**

Cash	\$ 26,413	\$ 12,005
Accounts receivable	432	10,246
Inventories	16,018	7,120
Prepaid expenses	<u>4,933</u>	<u>393</u>
	<u>\$ 47,796</u>	<u>\$ 29,764</u>

**LIABILITIES****CURRENT LIABILITIES**

Accounts payable and accrued charges	\$ 34,267	\$ 23,093
Due to the University of Windsor Students' Alliance (note 9)	<u>872,698</u>	<u>862,266</u>
	<u>906,965</u>	<u>885,359</u>

**SHAREHOLDERS' DEFICIENCY**

<b>CAPITAL STOCK</b> (note 6)	100	100
<b>CONTRIBUTED SURPLUS</b>	66,916	66,916
<b>DEFICIT</b>	<u>(926,185)</u>	<u>(922,611)</u>
	<u>(859,169)</u>	<u>(855,595)</u>
	<u>\$ 47,796</u>	<u>\$ 29,764</u>

**ON BEHALF OF THE BOARD**


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 Director

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 Director

**UNIWIN STUDENT PUB INC.****STATEMENT OF CASH FLOWS**

(Unaudited)

**YEAR ENDED APRIL 30, 2010**

	<b>2010</b>	<b>2009</b>
<hr/>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 687,206	\$ 470,129
Cash paid to suppliers and employees	(676,653)	(514,610)
Interest paid	<u>(6,577)</u>	<u>(6,215)</u>
	<u>3,976</u>	<u>(50,696)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from University of Windsor Students' Alliance	<u>10,432</u>	<u>55,134</u>
 <b>INCREASE IN CASH POSITION</b>	14,408	4,438
<b>CASH POSITION, BEGINNING</b>	<u>12,005</u>	<u>7,567</u>
 <b>CASH POSITION, ENDING</b>	<u>\$ 26,413</u>	<u>\$ 12,005</u>

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

(Unaudited)

**APRIL 30, 2010**

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**1. NATURE OF ACTIVITIES**

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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.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

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**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, 2010**

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**2. SIGNIFICANT ACCOUNTING POLICIES-continued**

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**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.

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**3. NEW ACCOUNTING POLICIES**

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**GOODWILL AND INTANGIBLE ASSETS**

Effective May 1, 2009, the company adopted CICA Handbook Section 3064, Goodwill and Intangible Assets. The new standard revises the requirement for recognition, measurement and presentation and disclosure of intangible assets. Adoption of this standard had no impact on the company's financial statements.

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

(Unaudited)

**APRIL 30, 2010**

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**4. FUTURE ACCOUNTING PRONOUNCEMENTS**

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**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, 2010**

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**4. FUTURE ACCOUNTING PRONOUNCEMENTS - continued**

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**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.

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**5. OPERATING AGREEMENT**

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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 18, 2010 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.

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

(Unaudited)

**APRIL 30, 2010**


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<b>6. CAPITAL STOCK</b>	<b>2010</b>	<b>2009</b>
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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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**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.

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**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:

2014		\$ 105,067
2015		3,406
2027		58,412
2028		81,233
2029		42,426
2030		<u>3,574</u>
		<u>\$ 294,118</u>

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

(Unaudited)

**APRIL 30, 2010**

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**9. RELATED PARTY TRANSACTIONS**

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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 \$0 (2009 - \$1,181).

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 \$62,624 (2009 - \$40,991) 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.

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**10. FINANCIAL INSTRUMENTS**

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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.