

COMPANEROS INC.

FINANCIAL STATEMENTS
(unaudited - see Notice to Reader)
September 30, 2011

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MANN, MOULSON & CO.
CERTIFIED GENERAL ACCOUNTANTS

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NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Companeros Inc. as at September 30, 2011 and the statements of retained earnings, income and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.



MANN, MOULSON & CO.
Certified General Accountants
Victoria, BC

September 17, 2012

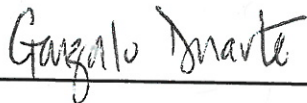
COMPANEROS INC.

BALANCE SHEET
(unaudited - see Notice to Reader)
As at September 30, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 52,350	\$ 41,276
Due from government agencies	<u>842</u>	<u>-</u>
	53,192	41,276
EQUIPMENT (Note 2)	<u>1,283</u>	<u>919</u>
	<u>\$ 54,475</u>	<u>\$ 42,195</u>
LIABILITIES		
CURRENT LIABILITIES		
Due to government agencies	\$ -	\$ 2,030
Accounts payable and accrued liabilities	4,472	6,058
Salaries payable	-	3,500
Income taxes payable	2,139	-
Unearned revenue (Note 1)	22,026	34,058
Unrealized foreign exchange (Note 1)	408	-
Due to shareholder (Note 3)	<u>20,489</u>	<u>7,257</u>
	<u>49,534</u>	<u>52,903</u>
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (Note 4)	100	100
RETAINED EARNINGS per Statement II	<u>4,841</u>	<u>(10,808)</u>
	<u>4,941</u>	<u>(10,708)</u>
	<u>\$ 54,475</u>	<u>\$ 42,195</u>

APPROVED:

Director



COMPANEROS INC.

STATEMENT OF RETAINED EARNINGS
(unaudited - see Notice to Reader)
For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ (10,808)	\$ (7,942)
Net income per Statement III	<u>15,649</u>	<u>(2,866)</u>
Balance, end of year	<u>\$ 4,841</u>	<u>\$ (10,808)</u>

COMPANEROS INC.

STATEMENT OF INCOME
(unaudited - see Notice to Reader)
For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUE		
Program fees	\$ 112,082	\$ 180,773
Project fundraising	34,050	-
Project donations	25,099	-
Project fees	20,549	-
Supplementary fees	19,899	-
Interest	58	-
	<u>211,737</u>	<u>180,773</u>
EXPENSES		
Project expenses per Schedule A	67,831	33,547
Program expenses per Schedule B	50,335	67,261
Salaries and administrative per Schedule C	45,804	50,438
Office and administration per Schedule D	29,606	32,208
Amortization	373	185
	<u>193,949</u>	<u>183,639</u>
INCOME BEFORE INCOME TAXES	17,788	(2,866)
INCOME TAXES	<u>2,139</u>	<u>-</u>
NET INCOME	<u>\$ 15,649</u>	<u>\$ (2,866)</u>

COMPANEROS INC.

STATEMENT OF CASH FLOWS
(unaudited - see Notice to Reader)
For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Net income per Statement III	\$ 15,649	\$ (2,866)
Item not affecting cash		
Amortization	373	185
Change in non-cash working capital items	<u>(17,444)</u>	<u>40,698</u>
NET CHANGE/ OPERATIONS	(1,422)	38,017
INVESTING ACTIVITY		
Purchase of equipment	(736)	(1,104)
FINANCING ACTIVITY		
Advances from shareholder	<u>13,232</u>	<u>1,372</u>
INCREASE IN CASH	11,074	38,285
CASH, beginning of year	<u>41,276</u>	<u>2,991</u>
CASH, end of year	<u>\$ 52,350</u>	<u>\$ 41,276</u>

COMPANEROS INC.

SCHEDULE OF PROJECT EXPENSES

(unaudited - see Notice to Reader)

For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
Arcoiris pre-school feeding program	\$ 4,130	\$ -
Building renovations	127	-
Individual donations	1,046	-
JMMF Scholarships	684	-
Labour, food and supplies	7,280	-
One library	19,822	-
One playground	3,047	-
Other	1,436	33,547
Potable water system	11,938	-
Social education events	1,029	-
Ten houses	16,210	-
Two murals	1,082	-
	<u>\$ 67,831</u>	<u>\$ 33,547</u>

COMPANEROS INC.

SCHEDULE OF PROGRAM EXPENSES
(unaudited - see Notice to Reader)
For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
Accomodation and food	\$ 38,094	\$ 48,546
Excursions	593	3,715
Transportation	<u>11,648</u>	<u>15,000</u>
	<u>\$ 50,335</u>	<u>\$ 67,261</u>

COMPANEROS INC.

SCHEDULE OF SALARIES AND ADMINISTRATIVE EXPENSES

(unaudited - see Notice to Reader)

For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
Bookkeeping	\$ 800	\$ -
Consultant	3,210	-
Executive salary	21,000	24,015
Housekeeping	1,819	-
Other wages	1,125	26,423
Program staff	12,000	-
Project staff	<u>5,850</u>	<u>-</u>
	<u>\$ 45,804</u>	<u>\$ 50,438</u>

COMPANEROS INC.

SCHEDULE OF OFFICE AND ADMINISTRATION

(unaudited - see Notice to Reader)

For the year ended September 30, 2011

	<u>2011</u>	<u>2010</u>
Accounting	\$ 5,150	\$ -
Communication	2,239	-
Computers	2,993	-
Couriers	909	-
Graphics	2,504	-
Legal	2,022	-
Office and administration	6,814	32,208
Payroll tax	1,015	-
Refunds	2,870	-
Supplies	703	-
Travel	<u>2,387</u>	<u>-</u>
	<u>\$ 29,606</u>	<u>\$ 32,208</u>

COMPANEROS INC.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited - see Notice to Reader)

September 30, 2011

NATURE OF OPERATIONS

Companeros Inc. was incorporated under the Business Corporations Act of Ontario on February 7, 2002 and its primary business activity is providing travel consulting for volunteering abroad, international development and service learning in Nicaragua.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognized when services are provided.

(b) Equipment

Equipment is recorded at cost. The company provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over its estimated useful life. The annual amortization rates are as follows:

Office equipment	20%
Computer equipment	45%

(c) Unearned revenue

Unearned revenue represents fees received relating to the period subsequent to the year end date which will be recognized in the following year.

(d) Foreign exchange

Monetary assets and liabilities of the company which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

COMPANEROS INC.

NOTES TO THE FINANCIAL STATEMENTS
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2. EQUIPMENT

	<u>2011</u>			<u>2010</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Office equipment	\$ 1,245	\$ 216	\$ 1,029	\$ 458
Computer equipment	<u>595</u>	<u>341</u>	<u>254</u>	<u>461</u>
	<u>\$ 1,840</u>	<u>\$ 557</u>	<u>\$ 1,283</u>	<u>\$ 919</u>

3. DUE TO SHAREHOLDER

The amount due to the shareholder is unsecured, non-interest bearing with no specific terms of repayment.

4. SHARE CAPITAL

	<u>2011</u>	<u>2010</u>
Issued		
100 Common shares	<u>\$ 100</u>	<u>\$ 100</u>