

**PALMER REED**  
CHARTERED ACCOUNTANTS

439 University Avenue, Suite 1550, Toronto, Ontario M5G 1Y8  
Telephone: (416) 599-9186 Fax: (416) 599-9189 Email: Palmerreed@palmerreed.com

**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of Companeros Inc. for the year ended September 30, 2013 and the statement of loss and retained earnings 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 purpose.

**TORONTO, CANADA**

**October 4, 2014**



**Chartered Accountants  
Licensed Public Accountants**

# COMPANEROS INC.

## BALANCE SHEET

AS AT SEPTEMBER 30, 2013

(with comparative figures as at September 30, 2012)

“UNAUDITED” – See Notice to Reader

	<u>ASSETS</u>	
	<u>2013</u>	<u>2012</u>
<b>Current</b>		
Cash	\$ 35,304	\$ 53,015
Due from government agencies	-	-
Income taxes recoverable	1,067	-
Prepaid expenses	<u>93</u>	<u>18,238</u>
	\$ 36,464	\$ 71,253
Equipment (Note 2)	<u>2,149</u>	<u>963</u>
	<b><u>\$ 38,613</u></b>	<b><u>\$ 72,216</u></b>
	 <u>LIABILITIES</u>	
<b>Current</b>		
Due to government agencies	\$ 1,969	\$ 1,173
Accounts payable & accrued liabilities	4,065	9,760
Income taxes payable	-	4,930
Unearned revenue (Note 1)	-	17,000
Unrealized foreign exchange (Note 1)	-	-
Due to shareholder (Note 3)	<u>18,323</u>	<u>19,306</u>
	\$ 24,357	\$ 52,169
	 <u>SHAREHOLDER'S EQUITY</u>	
Capital stock (Note 4)	\$ 100	
Retained earnings		
- per attached	<u>14,156</u>	<u>20,047</u>
	<b><u>\$ 38,613</u></b>	<b><u>\$ 72,216</u></b>

The attached notes form an integral part of these financial statements.

Approved: Guzalo Duarte

**COMPANEROS INC.****STATEMENT OF RETAINED EARNINGS****FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(with comparative figures for the year ended September 30, 2012)

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	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 19,947	\$ 4,841
Net income/(loss) per Statement III	<u>(5,791)</u>	<u>15,106</u>
<b>Balance, end of year</b>	<b><u>\$ 14,156</u></b>	<b><u>\$ 19,947</u></b>

**COMPANEROS INC.****STATEMENT OF INCOME AND LOSS****FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(with comparative figures for the year ended September 30, 2012)

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	<u>2013</u>	<u>2012</u>
<b>Revenue</b>		
Program fees	\$ 170,307	\$ 137,752
Program surplus	11,356	11,952
Project fees	65,708	44,915
Project surplus	9,087	8,626
Project donations	67,669	111,267
Interest	<u>-</u>	<u>-</u>
	<b><u>\$ 324,127</u></b>	<b><u>\$ 314,512</u></b>
<b>Expenses</b>		
Project expenses - per Schedule A	\$ 165,651	\$ 149,325
Program expenses – per Schedule B	99,384	51,154
Administrative expenses - per Schedule C	64,220	95,691
Amortization	640	320
Loss on foreign exchange	<u>1,090</u>	<u>125</u>
	<b><u>\$ 330,985</u></b>	<b><u>\$ 296,615</u></b>
<b>Income (loss) before estimated income taxes</b>	<b>\$ (6,858)</b>	<b>\$ 17,897</b>
Estimated income taxes	<u>(1,067)</u>	<u>2,791</u>
<b>Net income (loss)</b>	<b><u>\$ (5,791)</u></b>	<b><u>\$ 15,106</u></b>

**COMPANEROS INC.****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(with comparative figures for the year ended September 30, 2012)

**“UNAUDITED” – See Notice to Reader**

	<u>2013</u>	<u>2012</u>
<b>Operating Activities</b>		
Net income/(loss) per Statement III	\$ (5,791)	\$ 15,106
Item not affecting cash		
Amortization	640	320
Change in non-cash working capital items	<u>(9,752)</u>	<u>(13,938)</u>
<b>Net change/operations</b>	<b><u>\$ (14,903)</u></b>	<b><u>\$ 1,488</u></b>
<b>Investing Activity</b>		
Purchase of equipment	<u>\$ (1,824)</u>	<u>\$ -</u>
<b>Financing Activity</b>		
Advances from shareholder	<u>\$ (984)</u>	<u>\$ (823)</u>
<b>Increase (decrease) in cash</b>	<b><u>\$ (17,711)</u></b>	<b><u>\$ 665</u></b>
Cash – beginning of year	<u>53,015</u>	<u>52,350</u>
<b>Cash - end of year</b>	<b><u>\$ 35,304</u></b>	<b><u>\$ 53,015</u></b>

**COMPANEROS INC.****SCHEDULE OF PROJECT EXPENSES****FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(with comparative figures for the year ended September 30, 2012)

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	<u>2013</u>	<u>2012</u>
Public infrastructure	\$ 29,654	\$ 52,875
Family housing	50,903	28,808
Children, youth education	2,935	23,625
Health, well-being	24,732	12,704
Contracted labour, miscellaneous	23,780	31,313
Salaries & benefits	23,153	-
Management salary	<u>10,494</u>	<u>-</u>
	<b><u>\$ 165,651</u></b>	<b><u>\$ 149,325</u></b>

**COMPANEROS INC.****SCHEDULE OF PROGRAM EXPENSES****FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(with comparative figures for the year ended September 30, 2012)

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	<u>2013</u>	<u>2012</u>
Accommodation, meals, water	\$ 42,041	\$ 39,000
Excursions	7,840	654
Transportation	25,258	11,500
Salaries & benefits	13,751	-
Management salary	<u>10,494</u>	<u>-</u>
	<b><u>\$ 99,384</u></b>	<b><u>\$ 51,154</u></b>

**COMPANEROS INC.****SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(with comparative figures for the year ended September 30, 2012)

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	<u>2013</u>	<u>2012</u>
Accounting	\$ 5,561	\$ 8,982
Communication	1,874	794
Computers	654	2,662
Couriers	-	-
Foreign taxes paid	394	-
Graphics	1,197	1,133
Legal	3,207	1,485
Office and administration	20,506	14,671
Refunds	-	-
Salaries & benefits	9,329	58,072
Management salary	10,494	-
Supplies	1,224	2,421
Travel	<u>9,780</u>	<u>5,471</u>
	<u>\$ 64,220</u>	<u>\$ 95,691</u>



# COMPANEROS INC.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2013

“UNAUDITED” – See Notice to Reader

#### NATURE OF OPERATIONS

Companeros Inc. was incorporated under the Business Corporations Act of Ontario on February 27, 2002 and its primary business activity is travel consulting for the purpose of facilitating participation of North American volunteers in mutually beneficial cross-cultural service learning programs and community development projects in Nicaragua.

#### 1. Equipment

	<u>2013</u>			<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Office equipment	\$ 1,245	\$ 587	\$ 658	\$ 823
Computer equipment	<u>2,419</u>	<u>928</u>	<u>1,491</u>	<u>140</u>
	<u>\$ 3,664</u>	<u>\$ 1,515</u>	<u>\$ 2,149</u>	<u>\$ 963</u>

#### 2. Due to Shareholder

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

#### 3. Share Capital

	<u>2013</u>	<u>2012</u>
Issued		
100 Common shares	<u>\$ 100</u>	<u>\$ 100</u>