

**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](mailto:Palmerreed@palmerreed.com)

**NOTICE TO READER**

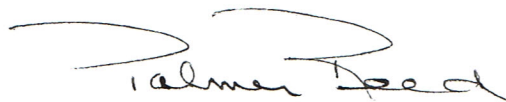
On the basis of information provided by management, we have compiled the balance sheet of Companeros Inc. for the three month period ended December 31, 2013 (Note 4) and the statements of loss and deficit for the three month period then ended.

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**

**December 19, 2014**



**Chartered Accountants  
Licensed Public Accountants**

# COMPANEROS INC.

## BALANCE SHEET

AS AT DECEMBER 31, 2013

(with comparative figures as at September 30, 2013)

“UNAUDITED” – See Notice to Reader

	<u>ASSETS</u>	
	December <u>2013</u>	September <u>2013</u>
<b>Current</b>		
Cash	\$ 56,384	\$ 35,304
Income taxes recoverable	4,927	1,067
Prepaid expenses	<u>14,809</u>	<u>93</u>
	\$ 76,120	\$ 36,464
Equipment (Note 1)	<u>1,947</u>	<u>2,149</u>
	<b><u>\$ 78,067</u></b>	<b><u>\$ 38,613</u></b>

	<u>LIABILITIES</u>	
<b>Current</b>		
Due to government agencies	\$ 2,624	\$ 1,969
Accounts payable & accrued liabilities	8,107	4,065
Unearned revenue	65,201	-
Due to shareholder (Note 2)	<u>17,995</u>	<u>18,323</u>
	\$ 93,927	\$ 24,357

	<u>SHAREHOLDER'S EQUITY</u>		
Capital stock (Note 3)	\$ 100		
Retained earnings (deficit)			
- per attached	<u>(15,960)</u>	<u>(15,860)</u>	<u>14,256</u>
	<b><u>\$ 78,067</u></b>		<b><u>\$ 38,613</u></b>

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

Approved: Guillermo Duarte

**COMPANEROS INC.****STATEMENT OF DEFICIT****FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2013**

(with comparative figures for the year ended September 30, 2013)

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	December <u>2013</u>	September <u>2013</u>
Balance, beginning of period	\$ 14,156	\$ 19,947
Net income/(loss) per Statement III	<u>(30,116)</u>	<u>(5,791)</u>
<b>Balance, end of period</b>	<b><u>\$ (15,960)</u></b>	<b><u>\$ 14,156</u></b>

**COMPANEROS INC.****STATEMENT OF LOSS****FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2013**

(with comparative figures for the year ended September 30, 2013)

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	December <u>2013</u>	September <u>2013</u>
<b>Revenue</b>		
Program fees	\$ -	\$ 170,307
Program surplus	431	11,356
Project fees	-	65,708
Project surplus	-	9,087
Project donations	<u>-</u>	<u>67,669</u>
	<b><u>\$ 431</u></b>	<b><u>\$ 324,127</u></b>
<b>Expenses</b>		
Project expenses - per Schedule A	\$ 10,232	\$ 165,651
Program expenses – per Schedule B	7,588	99,384
Administrative expenses - per Schedule C	19,133	64,220
Amortization	202	640
(Gain) loss on foreign exchange	<u>(2,745)</u>	<u>1,090</u>
	<b><u>\$ 34,410</u></b>	<b><u>\$ 330,985</u></b>
<b>Income (loss) before estimated income taxes</b>	<b>\$ (33,979)</b>	<b>\$ (6,858)</b>
Estimated income taxes	<u>(3,863)</u>	<u>(1,067)</u>
<b>Net income (loss)</b>	<b><u>\$ (30,116)</u></b>	<b><u>\$ (5,791)</u></b>

**COMPANEROS INC.****STATEMENT OF CASH FLOWS****FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2013**

(with comparative figures for the year ended September 30, 2013)

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	December <u>2013</u>	September <u>2013</u>
<b>Operating Activities</b>		
Net income/(loss) per Statement III	\$ (30,116)	\$ (5,791)
Item not affecting cash		
Amortization	202	640
Change in non-cash working capital items	<u>51,322</u>	<u>(9,752)</u>
<b>Net change/operations</b>	<u>\$ 21,408</u>	<u>\$ (14,903)</u>
<b>Investing Activity</b>		
Purchase of equipment	\$ <u>-</u>	\$ <u>(1,824)</u>
<b>Financing Activity</b>		
Advances from shareholder	\$ <u>(328)</u>	\$ <u>(984)</u>
<b>Increase (decrease) in cash</b>	\$ 21,080	\$ (17,711)
Cash – beginning of year	<u>35,304</u>	<u>53,015</u>
<b>Cash - end of year</b>	<u>\$ 56,384</u>	<u>\$ 35,304</u>

**COMPANEROS INC.****SCHEDULE OF PROJECT EXPENSES****FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2013**

(with comparative figures for the year ended September 30, 2013)

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	December <u>2013</u>	September <u>2013</u>
Public infrastructure	\$ -	\$ 29,654
Family housing	-	50,903
Children, youth education	886	2,935
Health, well-being	43	24,732
Contracted labour, miscellaneous	951	23,780
Salaries & benefits	5,742	23,153
Management salary	<u>2,610</u>	<u>10,494</u>
	<b><u>\$ 10,232</u></b>	<b><u>\$ 165,651</u></b>

**COMPANEROS INC.****SCHEDULE OF PROGRAM EXPENSES****FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2013**

(with comparative figures for the year ended September 30, 2013)

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	December <u>2013</u>	September <u>2013</u>
Accommodation, meals, water	\$ 16	\$ 42,041
Excursions	-	7,840
Transportation	-	25,258
Salaries & benefits	4,963	13,751
Management salary	<u>2,609</u>	<u>10,494</u>
	<b><u>\$ 7,588</u></b>	<b><u>\$ 99,384</u></b>



**COMPANEROS INC.****SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2013**

(with comparative figures for the year ended September 30, 2013)

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	December <u>2013</u>	September <u>2013</u>
Accounting	\$ 5,060	\$ 5,561
Communication	532	1,874
Computers	-	654
Foreign taxes paid	55	394
Graphics	67	1,197
Legal	696	3,207
Office and administration	3,649	20,506
Salaries & benefits	4,879	9,329
Management salary	2,610	10,494
Supplies	114	1,224
Travel	<u>1,471</u>	<u>9,780</u>
	<u>\$ 19,133</u>	<u>\$ 64,220</u>



# COMPANEROS INC.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 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>December 31</u> <u>2013</u>		<u>September</u> <u>2013</u>
	<u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u>
Office equipment	\$ 1,245	\$ 620	\$ 625
Computer equipment	<u>2,419</u>	<u>1,097</u>	<u>1,491</u>
	<u>\$ 3,664</u>	<u>\$ 1,717</u>	<u>\$ 2,149</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>December</u> <u>2013</u>	<u>September</u> <u>2013</u>
Issued		
100 Common shares	<u>\$ 100</u>	<u>\$ 100</u>

4. The Company has changed its year-end from September 30, to December 31 in order to be in agreement with its foreign reporting requirements.