

XYZ23935385 XYZ50070112 Inc.
To the Shareholders/Board of Directors of
Compilation Engagement Report

Date: Apr 19, 2023

We have audited the accompanying financial statements of [Company Name], which comprise the balance sheet as of [date], and the related statements of income, changes in equity, and cash flows for the year then ended, and notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with [applicable financial reporting framework], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with [applicable auditing standards], which require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of and the results of its operations and its cash flows for the year then ended in accordance with applicable financial reporting framework.

XYZ23935385 XYZ50070112 Inc.
Licenses public Accountants

Apr 19, 2023
Toronto, ON

RTUB36928182 HGTTG87808760 Inc.

Statements of Loss and Retained Earnings

Year ended September 30

2023

2022

Sales	\$19,050,760	\$8,691,180
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Cost of Sales	\$9,715,888	\$4,606,325
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Gross Profit	\$9,334,872	\$4,084,855
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Expenses

Rent	\$368,400	\$395,900
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Amortization of equipment and leasehold improvements	\$331,900	\$861,400
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Office Salaries and commissions	\$655,500	\$236,000
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General and office	\$71,900	\$603,200
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Management salaries	\$333,100	\$654,400
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Advertising and promotion	\$444,400	\$531,200
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Insurance	\$366,500	\$605,400
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Interest	\$216,100	\$288,000
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Professional fees	\$655,700	\$450,100
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Telephone	\$364,400	\$236,500
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Courier	\$619,000	\$804,500
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	\$4,426,900	\$5,666,600
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Income before other income and income taxes	\$4,907,972	-\$1,581,745
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Govt grant	\$4,500	\$8,398
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Gains (losses) through sale of property	\$0	-\$5,956
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Foreign exchange gains (losses)	-\$1,790	\$9,389
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Income before taxes	\$4,910,682	-\$1,558,002
Income taxes	\$1,227,671	\$0
Net income	<u>\$3,683,012</u>	<u>-\$1,558,002</u>
Dividends paid	<u>\$1,104,904</u>	<u>\$0</u>

Retained earnings (deficit), beginning of year

RTUB36928182 HGTTG87808760 Inc.

Balance Sheet

Year ended September 30

2023

2022

Assets

Current

Cash	\$757,963	\$585,297
Accounts Receivable	\$439,313	\$97,190
Inventory	\$505,314	\$79,988
Income tax recoverable	\$296,998	\$148,499
Prepaid Expenses	\$707,836	\$48,555

	\$2,707,424	\$959,529
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Equipment and leasehold improvements

\$248,752	\$124,376
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\$2,956,176	\$1,083,905
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Liabilities

Current

Bank Indebtedness	\$165,169	\$285,745
Short term debt	\$255,981	\$386,053
Accounts Payable and Accrued Liabilities	\$182,930	\$30,957
Income tax payable	\$353,501	\$108,515
Due to related parties	\$407,147	\$348,209
Current portion of obligations under capital lease	\$480,024	\$244,360

\$1,844,750	\$1,403,838
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Obligations under Capital Lease	\$94,716	\$64,215	
Future income taxes	\$38,586	\$68,910	
Leasehold inducements	\$93,887	\$82,358	
	<u>\$227,189</u>	<u>\$215,483</u>	
Shareholder's Equity			
Share Capital	\$58,367	\$1,395	
Retained Earnings	\$3,096,926	\$518,818	
	<u>\$3,155,293</u>	<u>\$520,213</u>	
	<u>\$3,789,629</u>	<u>\$1,083,905</u>	