

XYZ46129550 XYZ11268754 Inc.
To the Shareholders/Board of Directors of ABC1454863 XYZ79418399 Inc.

Date:

Apr 19, 2023

Review Engagement Financial Statements

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 ABC1454863 XYZ79418399 Inc. and the results of its operations and its cash flows for the year then ended in accordance with applicable financial reporting framework.

A handwritten signature in black ink, appearing to read "John Smith". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Smith".

XYZ46129550 XYZ11268754 Inc.
Licenses public Accountants

Apr 19, 2023
Toronto, ON

Combined Statement of Balance Sheets

ABC1454863 XYZ79418399 Inc.			31-Dec-2023	31-Dec-2022
	Current Assets			
	Cash and Cash Equivalents		\$3,465	\$81,781
	Term Deposits		\$48,912	\$35,443
	Accounts Receivable		\$40,966	\$62,447
	Inventory		\$51,348	\$71,160
	Harminized Sales Tax Receivable		\$40,729	\$98,794
	Prepaid Expenses		\$59,402	\$60,103
	Deposits		\$45,819	\$44,453
	Marketable Securities		\$65,001	\$42,102
	Investments		\$65,454	\$19,310
	Income tax receivable		\$97,252	\$85,476
	Restricted Cash		\$65,244	\$23,597
	Interest Receivable		\$17,205	\$51,025
	Mortgage Receivable		\$12,066	\$61,646
	Dividends Receivable from join venture investments		\$83,470	\$93,626
	Loans from related parties		\$15,665	\$34,917
			\$711,998	\$865,880
	Non Current Assets			
	Property and Equipment (Net of Accumulated Depreciation)		\$99,398	\$91,050
	Due from Related Parties		\$35,785	\$18,470
	Due from Shareholders		\$44,958	\$26,203
	Due from Directors		\$76,099	\$13,899
	Deposits		\$59,713	\$82,287
	Investments		\$18,540	\$98,424
	Cash surrender value of Life Insurance		\$14,712	\$82,159
	Goodwill		\$34,243	\$12,899
	Intangible assets		\$46,130	\$97,559
			\$429,578	\$522,950

			\$1,141,576	\$1,388,830

	Current Liabilities		
	Bank Indebtedness	\$93,835	\$18,936
	Short term debt	\$76,451	\$46,119
	Accounts Payable and Accrued Liabilities	\$73,810	\$42,279
	Income tax payable	\$49,334	\$64,579
	Deposits received	\$98,870	\$72,657
	Current portion of long term debt	\$37,111	\$76,078
	Current portion of obligations under capital lease	\$36,828	\$90,098
	Government remittances payable	\$49,218	\$91,014
		\$515,457	\$501,760
	Non Current Liabilities		
	Deferred income	\$50,802	\$17,302
	Government Loan	\$95,833	\$5,492
	Long Term Debt	\$40,847	\$50,463
	Obligations under Capital Lease	\$42,781	\$47,693
	Due to Shareholders	\$35,749	\$46,954
	Due to Directors	\$17,504	\$94,739
	Due to Related Parties	\$74,814	\$73,961
		\$358,330	\$336,604
	Shareholders Equity		
	Share Capital	\$81,440	\$11,662
	Preference shares	-\$1,531,331	\$62,269
	Retained Earnings	\$1,717,680	\$538,804
		\$1,141,576	\$1,451,099

Combined Statement of Income	31-Dec-2023	31-Dec-2022
------------------------------	-------------	-------------

ABC1454863 XYZ79418399 Inc.				
Income				
		Total Sales		
		Category 39470	\$4,914,700	\$6,619,840
		Category 7149	\$18,568	\$33,087
		Total Sales	\$4,933,268	\$6,652,927
		Cost of Sales	\$2,614,632	\$5,322,341
		Gross Profit	\$2,318,636	\$1,330,585
Expenses				
		Selling and recruitment	\$9,883	\$9,686
		Sales and Wages	\$4,557	\$6,691
		Equipment rentals	\$2,399	\$4,569
		Occupancy	\$4,168	\$2,571
		Office and General	\$5,522	\$1,768
		Interest and bank charges	\$6,290	\$2,187
		Software	\$4,318	\$4,338
		Vehicle	\$7,350	\$6,565
		Professional fees	\$365	\$3,915
		Depreciation	\$5,333	\$5,873
		Interest on long term debt	\$5,041	\$5,016
		General and administrative	\$1,468	\$3,492
		Loss (gain) on foreign exchange	\$7,403	\$1,630
			\$64,097	\$58,301
		Income before other income and income taxes	\$2,254,539	\$1,272,284

		Other income	\$9,060	\$8,252
		Income before taxes	\$2,245,479	\$1,264,032
		Income taxes	\$561,370	\$316,008
		Net income	\$1,684,109	\$948,024
		Dividends paid	\$505,233	\$284,407

ABC1454863 XYZ79418399 Inc.

Statement of Cashflows

			31-Dec-2023	31-Dec-2022
Operating Activities				
	Net Income		\$1,684,109	\$948,024
	Adjustment for items which does not affect cash			
	Amortization		\$5,333	\$5,873
			\$1,689,442	\$953,897
	Change in non-cash working capital items			
	Accounts receivable		\$21,481	-\$3,305
	Inventory		\$19,812	\$11,369
	HST receivable		\$58,065	-\$45,802
	Prepaid expenses		\$701	-\$18,473
	Deposits		-\$1,366	\$62,755
	Income tax receivable		-\$11,776	-\$79,274
	Accounts payables		\$31,531	-\$53,804
	Income tax payable		-\$15,245	-\$10,193
	Deposits Received		\$26,213	\$32,497
	Operating Loan		\$30,332	-\$44,692
			\$1,849,190	\$804,975
Financing Activities				
	Repayment of long term loan		-\$9,616	-\$42,882
	Proceeds of long term debt		0	\$0
	Purchase of new Property Plant and Equipment		-\$13,681	-\$87,341
	Proceeds from sale of PP&E		\$0	\$0
	Dividends Paid		\$505,233	\$284,407

			\$481,936	\$154,184
		Investing Activities		
		Due to Shareholders	-\$11,205	\$41,252
		Due to Directors	-\$77,235	\$89,708
		Due to Related Parties	\$853	\$65,937
		Due from Related Parties	-\$17,315	-\$11,681
		Due from Shareholders	-\$18,755	-\$20,867
		Due from Directors	-\$62,200	-\$8,749
			-\$185,857	\$155,600
		Increase/ (decrease) in cash	\$2,145,269	\$1,114,760
		Cash at beginning of year	\$81,781	-\$1,032,979
		Cash at end of year	\$2,227,050	\$81,781

ABC1454863 XYZ79418399 Inc.

Notes to Financial Statements

Year ended:

Jan 31, 2023

Nature of Operations

ABC1454863 XYZ79418399 Inc. is into Frozen food manufacturing

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

(a) Cash

Cash consists of balances with financial institutions

(b) Inventory

Inventory is measured as lower of cost and net realizable value

(c) Property, plant and equipment

Property plant and equipment are recorded at cost. The company provides for amortization by using the straight line method

2. Cash and bank debt

LIJ FINANCIAL has provided the Company with committed revolving facility loan which bears a floating interest at LIJ FINANCIAL's prime rate

The revolving credit facility is secured by general security agreement issued by the company under the common control, representing a first charge on all present and after acquired personal property. The total carrying amount of assets pledged as collateral under the GSA is \$696333

3. Inventory	31-Dec-2023	31-Dec-2022
finished Goods	\$23,312	\$34,406
Raw Material	\$21,361	\$35,367
Packaging and Labels	\$6,675	\$1,388
	\$51,348	\$71,160

4. Related party balances and transactions

The following table summarizes the amounts due from and to related parties. Related parties are controlled by one or more directors of the Company

(a) Due from related parties	31-Dec-2023	31-Dec-2022
ASD International Inc	\$17,123	\$7,388
JEO International Inc	\$18,662	\$11,082
	\$35,785	\$18,470
(b) Due from Shareholders	Jan 31 2023	Jan 31 2022
Shareholder 1	\$19,647	\$10,861
Shareholder 2	\$25,311	\$15,342
	\$44,958	\$26,203
(c) Due from Directors		
Director 1	\$31,048	\$6,797
Director 2	\$45,051	\$7,102
	\$76,099	\$13,899

(d) Due to related parties	31-Dec-2023	31-Dec-2022
ASD International Inc	\$29,947	\$33,385
JEO International Inc	\$12,834	\$14,308
	\$42,781	\$47,693
(e) Due from Shareholders	31-Dec-2023	31-Dec-2022
Shareholder 1	\$67,083	\$3,844
Shareholder 2	\$28,750	\$1,648
	\$95,833	\$5,492
(f) Due from Directors		
Director 1	\$35,881	\$5,664
Director 2	\$40,218	\$8,235
	\$76,099	\$13,899

5. Property, plant and equipment

	31-Dec-2023		
	Cost	Depreciation	Net Book Value
F&F	\$31,419	\$1,600	\$29,819
L H	\$20,946	\$1,067	\$19,880
Machi	\$20,946	\$1,067	\$19,880
L&B	\$31,419	\$1,600	\$29,819
	\$104,731	\$5,333	\$99,398

6. Long Term Debt

31-Dec-2023	31-Dec-2022
-------------	-------------

	2023	2022
LIJ FINANCIAL Term Loan payable monthly with interest rate of 5.29%	\$26,740	\$43,404
LIJ FINANCIAL Term Loan payable monthly with interest rate of 1.56%	\$51,218	\$83,137

These term loans are secured by charge on all assets of the company. We note that the company is in compliance of all financial covenants stipulated by the the lender

7. Share Capital	31-Dec-2023	31-Dec-2022
Issued		
Common Shares - shareholder 1	\$34,612	\$5,709
Common Shares - shareholder 2	\$46,828	\$5,953
	\$81,440	\$11,662

9. The entity's ability to continue as a going concern - CoVid 19

It is the management's view that there is not a material uncertainty related to the effect of CoVid 19 that may cast significant doubt on the company's ability to continue as a going concern

10. Commitments

The Company has leased premises under various operating leases at annual base rentals as follows:

Feb 1, 2024	\$4,376
Jan 31, 2025	\$4,595
Jan 31, 2026	\$4,825
Jan 31, 2027	\$5,066
	\$18,863

10. Financial Instruments

(a) Foreign exchange risk

Company is exposed to foreign exchange risk in US Dollars.

(b) Currency Risk

Company is exposed to currency risk based on Canadian Dollar's fluctuation with US Dollars

(c) Credit Risk

No change in Credit Risk versus prior year. We do note one of the key customers - DFD Ltd.- who has filed for Bankruptcy