

0949877 B.C. LTD.
Financial Information
Year Ended June 30, 2023

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Index to Financial Information
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	Page
COMPILATION ENGAGEMENT REPORT	1
FINANCIAL INFORMATION	
Balance Sheet	2
Statement of Loss and Retained Earnings	3
Notes to Financial Information	4

COMPILATION ENGAGEMENT REPORT

To the Shareholder of 0949877 B.C. Ltd.

On the basis of information provided by management, we have compiled the balance sheet of 0949877 B.C. Ltd. as at June 30, 2023, and the statement of loss and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.



New Westminster, British Columbia
January 11, 2024

KAUSHAL & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

0949877 B.C. LTD.**Balance Sheet****June 30, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 15,356	\$ 16,373
Accounts receivable	-	3,207
	15,356	19,580
EQUIPMENT AND LEASEHOLD IMPROVEMENTS <i>(Note 2)</i>	120,000	153,332
FRANCHISE FEES	7,500	10,000
DUE FROM RELATED PARTIES <i>(Note 3)</i>	321,895	310,425
	\$ 464,751	\$ 493,337
LIABILITIES		
CURRENT		
Accounts payable	\$ 33,240	\$ 92,112
Income taxes payable	2,100	2,868
Goods and services tax payable	46,448	43,166
Provincial sales tax payable	821	414
	82,609	138,560
LONG TERM DEBT	108,248	164,595
DUE TO SHAREHOLDER - <i>Medalla Holding Company Ltd.</i>	120,944	26,367
	311,801	329,522
SHAREHOLDER'S EQUITY		
Share capital	1	1
Retained earnings	152,949	163,814
	152,950	163,815
	\$ 464,751	\$ 493,337

ON BEHALF OF THE BOARD_____
Director

See notes to financial information

0949877 B.C. LTD.
Statement of Loss and Retained Earnings
Year Ended June 30, 2023

	2023	2022
REVENUES	\$ 955,428	\$ 926,503
DIRECT COSTS		
Other direct cost	9,467	32,358
Purchases	277,671	338,310
Royalties	47,770	46,325
	334,908	416,993
GROSS PROFIT	620,520	509,510
EXPENSES		
Advertising and promotion	4,965	11,103
Amortization of intangible assets	2,500	2,500
Amortization of tangible assets	33,332	34,247
Business taxes, licenses and memberships	687	2,256
Equipment lease	742	142
Insurance	16,345	14,015
Interest and bank charges	19,300	16,283
Interest on long term debt	20,362	11,203
Office	20,994	17,658
Professional fees	3,995	9,462
Rental	136,984	161,707
Repairs and maintenance	10,170	10,920
Salaries and wages	338,247	341,167
Sub-contracts	398	5,023
Training	326	-
Utilities	22,038	20,538
	631,385	658,224
LOSS FROM OPERATIONS	(10,865)	(148,714)
OTHER INCOME		
Government assistance	-	158,840
INCOME (LOSS) BEFORE INCOME TAXES	(10,865)	10,126
INCOME TAXES	-	2,125
NET INCOME (LOSS)	(10,865)	8,001
RETAINED EARNINGS - BEGINNING OF YEAR	163,814	155,813
RETAINED EARNINGS - END OF YEAR	\$ 152,949	\$ 163,814

See notes to financial information

0949877 B.C. LTD.
Notes to Financial Information
Year Ended June 30, 2023

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of 0949877 B.C. Ltd. as at June 30, 2023, and the statement of loss and retained earnings for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- Equipment and leasehold improvements amortized on the same basis as for income tax
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date

2. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment	\$ 94,756	\$ 68,046	\$ 26,710	\$ 33,388
Leasehold improvements	266,543	173,253	93,290	119,944
	\$ 361,299	\$ 241,299	\$ 120,000	\$ 153,332

3. DUE FROM RELATED PARTIES

	2023	2022
Long term portion due from related parties		
Due from Medella Investment Group Ltd.	\$ 40,795	\$ 40,795
Due from RBK Investment Group Ltd.	281,100	269,630
	\$ 321,895	\$ 310,425