

SPARK44 CANADA INC.
FINANCIAL STATEMENTS
MARCH 31, 2019

UNAUDITED

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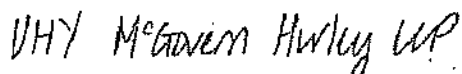
NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Spark44 Canada Inc. as at March 31, 2019 and the statement of income 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 purposes.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
May 28, 2019

SPARK44 CANADA INC.
BALANCE SHEET
AS AT MARCH 31, 2019

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	<u>2019</u>	<u>2018</u>
	\$	\$
ASSETS		
CURRENT		
Cash	869,897	388,107
Accounts receivable	2,044	528
Inventory	8,235	6,322
Prepaid expenses and deposits	34,964	14,136
Taxes recoverable	<u>15,513</u>	<u>20,312</u>
	<u>930,653</u>	<u>429,405</u>
ADVANCES TO RELATED PARTY (Note 1)		
Non-interest bearing, no fixed terms of repayment	<u>328,939</u>	<u>877,829</u>
PROPERTY AND EQUIPMENT (Note 2)	<u>75,507</u>	<u>67,001</u>
	<u>1,335,099</u>	<u>1,374,235</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	171,200	313,499
Other current liabilities	<u>68,282</u>	<u>59,318</u>
	<u>239,482</u>	<u>372,817</u>
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (Note 3)	100	100
RETAINED EARNINGS	<u>1,095,517</u>	<u>1,001,318</u>
	<u>1,095,617</u>	<u>1,001,418</u>
	<u>1,335,099</u>	<u>1,374,235</u>

APPROVED ON BEHALF OF THE BOARD:

Sammon, Director Shalom Shapurkas, CFO North America
_____, Director _____

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STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
REVENUE	5,483,899	4,707,812
COST OF SALES	<u>3,295,091</u>	<u>2,781,368</u>
GROSS MARGIN	<u>2,188,808</u>	<u>1,926,444</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and benefits	1,676,710	1,047,794
Professional fees	111,395	21,994
Rent	106,752	91,992
Travel	49,826	38,889
Telephone	47,613	22,662
Office and general	36,095	29,954
Repairs and maintenance	6,975	10,925
Insurance	4,291	1,430
Interest and bank charges	3,762	3,160
IT expenses	3,258	8,249
Utilities	1,216	-
Advertising and promotion	1,153	2,002
Management fee	-	284,628
Amortization	<u>63,979</u>	<u>61,370</u>
Total Expenses	<u>2,113,025</u>	<u>1,625,049</u>
Income from operations	<u>75,783</u>	<u>301,395</u>
Other income/expense		
Foreign exchange gain (loss)	5,786	(3,317)
Management fee revenue	53,582	-
Gain on disposal of asset	-	500
	<u>59,368</u>	<u>(2,817)</u>
Income before income taxes	135,151	298,578
Income taxes	<u>40,952</u>	<u>76,861</u>
NET INCOME FOR THE PERIOD	94,199	221,717
RETAINED EARNINGS, beginning of period	<u>1,001,318</u>	<u>779,601</u>
RETAINED EARNINGS, end of period	<u>1,095,517</u>	<u>1,001,318</u>

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SPARK44 CANADA INC.
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2019

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	<u>2019</u>	<u>2018</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	94,199	221,717
Charges to income not involving cash:		
Amortization	63,979	61,370
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(1,516)	762,459
(Increase) decrease in inventory	(1,913)	78,073
(Increase) in prepaid expenses and deposits	(20,828)	(1,690)
(Increase) decrease in taxes recoverable	4,799	152,992
Decrease other current assets	-	17,782
(Decrease) in accounts payable and accrued liabilities	(142,299)	(387,736)
Increase in other current liabilities	<u>8,964</u>	<u>54,163</u>
Cash flows from operating activities	<u>5,385</u>	<u>959,130</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions to equipment	(72,485)	(11,085)
Decrease (increase) in advances to related party	<u>548,890</u>	<u>(877,829)</u>
Cash flows used in investing activities	<u>476,405</u>	<u>(888,914)</u>
Increase in cash	481,790	70,216
Cash, beginning of year	<u>388,107</u>	<u>317,891</u>
Cash, end of year	<u><u>869,897</u></u>	<u><u>388,107</u></u>

1. ADVANCES TO RELATED PARTY

	<u>2019</u>	<u>2018</u>
	\$	\$
Jaguar Land Rover Canada ULC	<u>328,939</u>	<u>877,829</u>

2. PROPERTY & EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net</u>	<u>2018 Net</u>
	\$	\$	\$	\$
Leasehold improvements	93,783	73,248	20,535	13,523
Computers	101,357	73,060	28,297	24,888
Equipment	<u>54,517</u>	<u>27,842</u>	<u>26,675</u>	<u>28,590</u>
	<u>249,657</u>	<u>174,150</u>	<u>75,507</u>	<u>67,001</u>

3. SHARE CAPITAL

Authorized

Unlimited number of voting Common shares
Unlimited number of voting Class A Preferred shares
Unlimited number of voting Class B Preferred shares
Unlimited number of non-voting Class C Preferred shares

	<u>2019</u>	<u>2018</u>
	\$	\$
Issued		
100 Common share	<u>100</u>	<u>100</u>

Spark44 Canada Inc.
Year End: March 31, 2019
Adjusting Entries
Date: 2018-04-01 To 2019-03-31

Prepared by	Reviewed by
MC2 2019-05-24	

AJE

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	2019-03-31	Prepaid Income Tax	15570	PY		4,885.35			
1	2019-03-31	Intercompany Loan LLC	21040	PY		100.00			
1	2019-03-31	Share capital	31000	PY			100.00		
1	2019-03-31	Retained Earnings Brought Forward	32000	PY			4,885.35		
To record prior year's UHYMH's entries not recorded by client									
2	2019-03-31	Prepaid Income Tax	15570				4,885.95		
2	2019-03-31	Prior Year Income Tax Balance	60110			4,885.95			
To reallocate tax amount per Michael (TMF)									
3	2019-03-31	Leasehold Improvements	10010	H. 2. 2			1,347.43		
3	2019-03-31	Leasehold Amortisation	64010	H. 2. 2		1,347.43			
To reclass client's reversal entry to leasehold amortization to correct asset account (w/p H.2.2 cell F1197)									
						11,218.73	11,218.73		
Net Income (Loss)			94,198.89						

