

**J.W. BILOTTA HOLDINGS INC.**

**Financial Statements**

**Year Ended February 28, 2021**

*(Unaudited - See Notice To Reader)*

**J.W. BILOTTA HOLDINGS INC.**

**Index to Financial Statements**

**Year Ended February 28, 2021**

*(Unaudited - See Notice To Reader)*

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## NOTICE TO READER

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On the basis of information provided by management, we have compiled the balance sheet of J.W. Bilotta Holdings Inc. as at February 28, 2021 and the statement of loss 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.

*Bateman MacKay LLP*

Mississauga, Ontario  
January 28, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**J.W. BILOTTA HOLDINGS INC.****Balance Sheet****February 28, 2021***(Unaudited - See Notice To Reader)*

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 37,930	\$ 45,927
Income taxes recoverable	-	356
	<b>37,930</b>	46,283
<b>LONG TERM INVESTMENTS</b>	<b>100,100</b>	100,100
<b>DUE FROM RELATED PARTY</b>	<b>138,550</b>	138,550
<b>LOAN RECEIVABLE</b>	-	19,737
	<b>\$ 276,580</b>	\$ 304,670
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,501	\$ 1
Due to shareholder	<b>109,958</b>	109,858
	<b>112,459</b>	109,859
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	51	51
Retained earnings	<b>164,070</b>	194,760
	<b>164,121</b>	194,811
	<b>\$ 276,580</b>	\$ 304,670

**ON BEHALF OF THE BOARD***Director*

**J.W. BILOTTA HOLDINGS INC.**  
**Statement of Loss and Retained Earnings**  
**Year Ended February 28, 2021**  
*(Unaudited - See Notice To Reader)*

	2021	2020
<b>REVENUE</b>	\$ -	\$ -
<b>EXPENSES</b>		
Bad debts	19,737	-
Interest on long term debt	4,945	2,730
Professional fees	4,597	176
Interest and bank charges	244	416
Meals and entertainment	-	86
	<u>29,523</u>	<u>3,408</u>
<b>LOSS FROM OPERATIONS</b>	<u>(29,523)</u>	<u>(3,408)</u>
<b>OTHER INCOME</b>		
Interest income	375	-
Foreign exchange gain (loss)	(1,542)	291
	<u>(1,167)</u>	<u>291</u>
<b>LOSS BEFORE INCOME TAXES (RECOVERED)</b>	<u>(30,690)</u>	<u>(3,117)</u>
<b>INCOME TAXES (RECOVERED)</b>	<u>-</u>	<u>(356)</u>
<b>NET LOSS</b>	<u>(30,690)</u>	<u>(2,761)</u>
<b>RETAINED EARNINGS - BEGINNING OF YEAR</b>	<u>194,760</u>	<u>204,746</u>
	164,070	201,985
<b>DIVIDENDS DECLARED</b>	<u>-</u>	<u>(7,225)</u>
<b>RETAINED EARNINGS - END OF YEAR</b>	<u>\$ 164,070</u>	<u>\$ 194,760</u>

January 28, 2022

Confidential

J.W. Bilotta Holdings Inc.  
1184 Bellview St  
Burlington ON L7S 1C7

Attention: Joseph Bilotta

Dear Joseph:

**The Objective and scope of the compilation engagement**

You have requested that, on the basis of information that you will provide, we assist you in the preparation of the compiled financial information for J.W. Bilotta Holdings Inc., which comprise the balance sheet as at February 28, 2022, and the statement of loss and retained earnings for the year then ended, and the statement of loss and retained earnings for the year then ended and Note 1, which describes the basis of accounting to be applied in the preparation of the compiled financial information.

**The intended use of the compiled financial information**

The compiled financial information is intended to be used by management of J.W. Bilotta Holdings Inc.. Those parties are in a position to request and obtain further information from the entity.

We are pleased to confirm our acceptance and understanding of this compilation engagement by means of this letter.

**The practitioner's responsibilities**

We will perform the compilation engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements.

A compilation engagement involves us assisting you in the preparation of compiled financial information. Since a compilation engagement is not an assurance engagement, We are not required to perform procedures to verify the accuracy or completeness of the information you provide to us for the compilation engagement. Accordingly, we will not express an audit opinion or a review conclusion, or provide any form of assurance on the compiled financial information.

**Management's responsibilities**

The compilation engagement is performed on the basis that you acknowledge that:

- a. The third party that intends to use the compiled financial information is in a position to request and obtain further information from the entity;
- b. A compilation engagement is appropriate for the intended use;
- c. You understand that a compilation engagement will not fulfill the entity's legal, regulatory or contractual provisions, if any, for an audit engagement or a review engagement; and

- d. You understand that the compiled financial information should not be used by third parties other than those who are in a position to request or obtain further information from the entity, or have agreed with you the basis of accounting to be applied in the preparation of the compiled financial information.

Further, you acknowledge that you are responsible for:

- a. The compiled financial information;
- b. Selecting the basis of accounting to be applied in the preparation of the compiled financial information that is appropriate for the intended use;
- c. The accuracy and completeness of the information provided to us; and
- d. Attaching the compilation engagement report when distributing or reproducing the compiled financial information.

### **Confidentiality**

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of J.W. Bilotta Holdings Inc. unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Ontario *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

### **Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

### **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

### **Use and Distribution of Our Communication**

The compilation of the financial information and the issuance of our *Compilation Engagement Report* communication are solely for the use of J.W. Bilotta Holdings Inc. and those to whom our report is specifically addressed by us. We make no representations, or warranties of any kind to any third party in respect of these financial information or our *Compilation Engagement Report* communication and we accept no responsibility for their use by any third party or any liability to anyone other than J.W. Bilotta Holdings Inc..

For greater clarity, our *Compilation Engagement Report* will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our communication should not be circulated (beyond J.W. Bilotta Holdings Inc.) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

### **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

### **File Inspections**

In accordance with professional regulations (and by our firm's policy), our client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

### **Accounting Advice**

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

### **Dispute Resolution**

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

### **Indemnity**

J.W. Bilotta Holdings Inc. hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by J.W. Bilotta Holdings Inc., or its directors, officers, agents or employees, of any of the covenants or obligations of J.W. Bilotta Holdings Inc. herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial information in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or the board of directors.



### **Limitation of Liability**

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to \$25,000. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date J.W. Bilotta Holdings Inc. should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

### **Time Frames**

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by J.W. Bilotta Holdings Inc. of its obligations.

### **Concerns**

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or manager. We will listen to your concerns and investigate any complaint on a timely basis.

### **Fees at Regular Billing Rate**

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable HST, and are due when rendered. Fees for any additional services will be established separately.

### **Billing**

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.50% per month or 18.00% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

### **Costs of Responding to Government or Legal Processes**

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable HST) incurred.

### **Termination**

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, J.W. Bilotta Holdings Inc. shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the Engagement we may withdraw from the Engagement before issuing a *Compilation Engagement Report* communication or compiling the financial information. If this occurs, we will communicate the reasons and provide details.

### **Survival of Terms**

This engagement letter will continue in force for subsequent Engagements unless terminated by either party by written notice prior to the commencement of the subsequent Engagement.

### **Not Liable For Any Failures or Delays Beyond Our Control**

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed-upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by your company of its obligations.

### **Consequential Loss**

Our firm and its partners, officers or employees will not be responsible for any consequential loss, injury or damages suffered by the client including but not limited to loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared by or on behalf of our firm, including the partners, officers or employees of the accounting firm for the exclusive use of the client.

### **Relevant Parties**

The client will not assert any claim for damages against our firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our firm.

### **Third Parties**

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

### **Bookkeeping, Corporate Income Return and Other Reports**

Subject to management review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the financial information; prepare the necessary federal and provincial income tax returns; and prepare any special reports as required. Management will provide the information necessary to complete the returns / reports and will file them with the appropriate authorities on a timely basis.

### **HST**

It should be noted that our accounting work in the area of HST and other commodity taxes is limited to that appropriate to complete the financial information. Accordingly, we may not detect situations where you are incorrectly collecting HST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the HST could result in you or your company becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties, and excise taxes.

### **Foreign Reporting**

It is understood and agreed that the company is aware of the foreign reporting rules effective for tax years starting in 1996, and we are relying on the company to provide us with the necessary information. The company may be required to file information returns to comply with these rules if it has:

1. One or more controlled and not-controlled foreign affiliates (Form T1134). Filing deadline is 12 months after the end of the taxation year.
2. Transferred or loaned property to a non-resident/off-shore trust any time after 1990 (Form T1141). Filing deadline is 6 months after the end of the taxation year.
3. Received distributions from or is indebted to a non-resident trust (Form T1142). Filing deadline is 6 months after the end of the taxation year.
4. Foreign property with a total cost of more than Cdn \$100,000 (Form T1135). Form T1135 is not required if the foreign property (such as shares of a foreign affiliate, an interest in an offshore trust) is reported on one of the other foreign reporting forms above. The filing deadline is six months after the end of the taxation year.

Failure to comply may result in significant penalties that are not deductible for income tax purposes. There are more penalties to those persons who make or participate in the making of a false statement or omission on the new information returns. Therefore, we must impress upon you the importance of carrying out due diligence to file these returns accurately and completely.

**Conclusion**

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your company.

Yours truly,



Vinay Khosla, M.Acc., CPA, CA  
Tax Partner

BATEMAN MACKAY LLP

The services and terms set out above are as agreed to on behalf of J.W. Bilotta Holdings Inc. by:



Mr. Joseph Bilotta,

January 28, 2022

Date signed

## **Appendix A - Expected Form of Report**

To the Shareholders of J.W. Bilotta Holdings Inc.

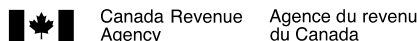
On the basis of information provided by management, we have compiled the balance sheet of J.W. Bilotta Holdings Inc. as at February 28, 2022, and the statement of loss and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the 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 have not performed 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.



## Information Return for Corporations Filing Electronically

- Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 Corporation Income Tax Return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your T2 Corporation Income Tax Return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

### Part 1 – Identification

Corporation's name J.W. Bilotta Holdings Inc.				Business number 82901 7508 RC0001	
Tax year start	Year Month Day 2020-03-01	Tax year-end	Year Month Day 2021-02-28	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Get your CRA mail electronically delivered in My Business Account at <a href="https://canada.ca/my-cra-business-account">canada.ca/my-cra-business-account</a> (optional)					
Email address: _____					
I understand that by providing an email address, I am <b>registering</b> the corporation to receive email notifications from the CRA. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent. For more information, see <a href="https://canada.ca/cra-business-email-notifications">canada.ca/cra-business-email-notifications</a> .					

### Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	-29,198
Part I tax payable (line 700)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

### Part 3 – Certification and authorization

I, Bilotta Joseph Director,  
Last name First name Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation Income Tax Return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the T2 Corporation Income Tax Return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

Date (yyyy/mm/dd)



Signature of an authorized signing officer of the corporation

(905) 469-5661

Telephone number

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

### Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

Bateman MacKay LLP

Name of person or firm

G8438

Electronic filer number

### Privacy notice

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at [canada.ca/cra-info-source](https://canada.ca/cra-info-source).

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**J.W. BILOTTA HOLDINGS INC.**

1184 Bellview St  
Burlington, ON  
L7S 1C7

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January 28, 2022

Bateman MacKay LLP  
200 - 40 Village Centre Place  
Mississauga Ontario L4Z 1V9

Dear Sir / Madam:

We are writing at your request to confirm our understanding about your engagement to compile financial statements for the year ended February 28, 2021 of J.W. Bilotta Holdings Inc. We confirm that we have reviewed, approved and recorded all of the following:

- a) Adjusting journal entries you prepared or changed;
- b) Account codes you determined or changed;
- c) Transactions you classified;
- d) Accounting records you prepared or changed.

Yours truly,

**J.W. BILOTTA HOLDINGS INC.**



  
\_\_\_\_\_  
Mr. Joseph Bilotta

\_\_\_\_\_  
January 28, 2022  
Date signed