

EMAX COMPUTER SYSTEMS INC.
FINANCIAL STATEMENTS
(Unaudited – See Notice To Reader)

August 31, 2010

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NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of EMAX COMPUTER SYSTEMS INC., as at August 31, 2010 and the statements of income, retained earnings and cash flows for the year then ended. I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

A handwritten signature in black ink, reading "I Rabinowitz". The signature is written in a cursive, flowing style.

CHARTERED ACCOUNTANT
Licensed Public Accountant
Ottawa, Ontario
December 6, 2011

EMAX COMPUTER SYSTEMS INC.

BALANCE SHEET
(Unaudited – See Notice To Reader)

As At August 31, 2010

	2010	2009
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	31,259	48,259
Accounts Receivables	0	0
Prepaid Expenses	0	0
	<u>31,259</u>	<u>48,259</u>
Investment	0	0
Capital Assets (Note 2)	977	1,627
	<u>32,236</u>	<u>49,886</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable and Accrued Charges	0	0
Shareholder's loan (Note 3)	4,105	9,691
	<u>4,105</u>	<u>9,691</u>
SHAREHOLDER'S EQUITY		
Capital Stock (Note 4)	30	30
Retained Earnings	28,101	40,165
	<u>28,131</u>	<u>40,195</u>
	<u>32,236</u>	<u>49,886</u>

APPROVED BY:

_____ Director

(The accompanying notes are an integral part of these financial statements)

ISSIE RABINOWITZ
Chartered Accountant

EMAX COMPUTER SYSTEMS INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

(Unaudited – See Notice To Reader)

For the Year Ended August 31, 2010

	2010	2009
	\$	\$
Fees	<u>9,447</u>	<u>3,780</u>
 EXPENSES		
Amortization	650	1,119
Interest and Bank Charges	98	7
Office and Miscellaneous	2,563	4,197
Professional Fees	0	1,575
Supplies	<u>1,000</u>	<u>1,589</u>
	<u>4,311</u>	<u>8,487</u>
 Income before capital loss	5,136	-4,707
Capital loss	<u>0</u>	<u>-50,000</u>
Net Income (Loss)	5,136	-54,707
 Retained Earnings opening balance	40,165	122,472
 Dividends	-17,200	-27,600
 Retained Earnings ending balance	<u><u>28,101</u></u>	<u><u>40,165</u></u>

(The accompanying notes are an integral part of these financial statements)

ISSIE RABINOWITZ

Chartered Accountant

EMAX COMPUTER SYSTEMS INC.

STATEMENT OF CASH FLOWS
(Unaudited – See Notice To Reader)

For the Year Ended August 31, 2010

	2010	2009
	\$	\$
OPERATING ACTIVITIES		
Net Income	5,136	-54,707
Add Amortization	650	1,119
Changes in non cash items		
Accounts Receivables	0	2,555
Prepaid Expenses	0	1,200
Accounts Payable and Accrued Charges	0	-2,841
	<u>5,786</u>	<u>-52,674</u>
INVESTING ACTIVITIES		
Capital loss	<u>0</u>	<u>50,000</u>
FINANCING ACTIVITIES		
Shareholder's loan (Note 3)	-5,586	5,620
Dividends	-17,200	-27,600
	<u>-22,786</u>	<u>-21,980</u>
Changes in Cash	<u>-17,000</u>	<u>-24,654</u>
Cash balance beginning of year	48,259	72,913
Cash balance end of year	<u><u>31,259</u></u>	<u><u>48,259</u></u>

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EMAX COMPUTER SYSTEMS INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited – See Notice To Reader)

August 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES.

Amortization charges are calculated at the following annual rates:

Computer hardware class 10	30% declining basis
Computer hardware class 45	45% declining basis

At the year of purchase half of the above rates are used

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2010	2009
	\$	\$	\$	\$
Computer class 10	28,922	28,541	381	544
Computer class 45	<u>3,238</u>	<u>2,642</u>	<u>596</u>	<u>1,083</u>
	<u>32,160</u>	<u>31,183</u>	<u>977</u>	<u>1,627</u>

3. SHAREHOLDER'S LOAN

The shareholder's loan does not accrues interest and has no set date of repayment.

4. CAPITAL STOCK

Authorized unlimited common shares. Class A, B, C, and first special shares

Issued	2010	2009
	\$	\$
1,000 shares of class A common shares	10	10
1,000 shares of class A common shares	10	10
100,000 First special shares	<u>10</u>	<u>10</u>
	<u>30</u>	<u>30</u>

5. LOSSES CARRIED FORWARD FOR INCOME TAX PURPOSES

The company has \$34,835 in non-capital losses carried forward for income tax purposes. The losses expire: in 2017: \$25,275 in 2018: \$4,753 and in 2019: \$4,807. The company has a capital loss carried forward in the amount of: \$50,000

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