

**THE VERY GOOD BUTCHERS INC.**

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**2017 Financial Statements  
(Unaudited - See Notice to Reader)**

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**2017 Financial Statements**  
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1521 Amelia Street, Victoria, BC, V8W 2K1

## Notice to Reader

On the basis of information provided by Management, we have compiled the balance sheet of The Very Good Butchers Inc. as at December 31, 2017 and the statement of operations and deficit for the period 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.

The Ken Yao Company Inc.  
Chartered Professional Accountants  
Victoria, British Columbia  
May 22, 2018

# THE VERY GOOD BUTCHERS INC.

## Balance Sheet

As at December 31, 2017

(Unaudited - See Notice to Reader)

	2017
<b>ASSETS</b>	
Current assets	
Cash	\$ 9,553
Accounts receivable	5,853
Inventory	10,000
Prepaid expenses	7,519
	<hr/> 32,925
Property and equipment (note 4)	
Furniture and fixtures	9,254
Computer equipment	891
Computer software	9,269
Leasehold improvements	11,312
	<hr/> 30,726
Less: Accumulated amortization	(8,066)
	<hr/> 22,660
	<hr/> <hr/> \$ 55,585
<b>LIABILITIES, SHARE CAPITAL AND DEFICIT</b>	
Current liabilities	
Accounts payable and accrued liabilities (note 5)	\$ 6,926
Evolocity loans payable	49,973
Government remittances payable	7,987
Due to shareholders	51,909
	<hr/> 116,795
Share capital and deficit	
Share capital (note 6)	83
Deficit	(61,293)
	<hr/> (61,210)
	<hr/> <hr/> \$ 55,585

See accompanying notes



## THE VERY GOOD BUTCHERS INC.

Statement of Operations and Deficit  
Period ended December 31, 2017  
(Unaudited - See Notice to Reader)

	<b>2017</b>
Sales	\$ 629,889
Cost of sales	323,533
<b>Gross margin</b>	<b>306,356</b>
Expenses	
Wages and benefits	113,499
Subcontract	83,824
Equipment rental	53,276
Rent	34,224
Office and administration	15,750
Travel	14,458
Advertising and promotion	10,668
Small tools and supplies	10,471
Telephone and utilities	5,128
Professional fees	4,233
Memberships, licenses and subscriptions	3,248
Insurance	3,034
Interest on long-term debt	2,976
Meals and entertainment	2,122
Interest and bank charges	1,543
Repairs and maintenance	1,129
Amortization	8,066
	367,649
<b>Net loss, being Deficit at December 31, 2017</b>	<b>\$ (61,293)</b>

See accompanying notes



# THE VERY GOOD BUTCHERS INC.

Notes to Financial Statements  
Period ended December 31, 2017  
(Unaudited - See Notice to Reader)

## 1. Nature of operations

The Very Good Butchers Inc. is incorporated under the laws of British Columbia and its principal business activity is the production and distribution of vegan meats, and the operation of a vegan restaurant.

## 2. Basis of accounting

These financial statements have been prepared primarily for submission to taxation authorities. As these financial statements have not been prepared for general purposes, some users may require further information.

## 3. Summary of significant accounting policy

### Property and equipment

Property and equipment are recorded at cost. The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property and equipment over their estimated useful lives. Amortization is recorded at one-half in the year of acquisition, and no amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Furniture and fixtures	20%
Computer equipment	55%
Computer software	100%

Amortization of leasehold improvements is recorded over the remaining term of the lease, which expires July 31, 2022.

## 4. Property and equipment

	<b>2017</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>
Furniture and fixtures	\$ 9,254	\$ 925	\$ 8,329
Leasehold improvements	11,312	2,262	9,050
Computer equipment	891	245	646
Computer software	9,269	4,634	4,635
	<b>\$ 30,726</b>	<b>\$ 8,066</b>	<b>\$ 22,660</b>



## THE VERY GOOD BUTCHERS INC.

Notes to Financial Statements  
Period ended December 31, 2017  
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### 5. Accounts payable and accrued liabilities

	<b>2017</b>
Accrued liabilities	\$ 3,190
Credit cards payable	3,736
	<u>\$ 6,926</u>

### 6. Share capital

	<b>2017</b>
Issued	
8.334 Class A Common Voting shares with a par value of \$10.00 each	<u>\$ 83</u>