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**Local Media Concepts Inc.**

**Financial Information**

**December 31, 2023**

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**Local Media Concepts Inc.**

**Financial Statements**

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**December 31, 2023**

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## Compilation Engagement Report

**To the management of  
Local Media Concepts Inc.**

On the basis of information provided by management, we have compiled the balance sheet of Local Media Concepts Inc. as at December 31, 2023, the statement of income and retained earnings for the year then ended, and note 2, 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.

*Vaive and Associates*

**Ottawa  
March 8, 2024**

**Vaive and Associates Professional Corporation  
(Authorized to practice public accounting by the Chartered  
Professional Accountants of Ontario)**

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**Local Media Concepts Inc.****Statement of Income and Retained Earnings**

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For the year ended December 31,

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>	<b>\$ 1,396,159</b>	<b>\$ 1,572,014</b>
<b>Expenses</b>		
Advertising and promotion	500	100
Amortization	7,289	5,882
Automotive	9,402	9,688
Communications	7,089	3,373
Interest and bank charges	246,638	240,435
Management fees	370,000	370,000
Meals and entertainment	3,544	5,175
Office	20,167	26,589
Professional fees	3,000	1,830
Rent	2,003	1,786
Salaries and benefits	123,243	128,936
Software subscriptions	2,682	2,170
Subcontract	658,618	716,878
Travel	3,106	1,505
	<u>1,457,281</u>	<u>1,514,347</u>
<b>Income (loss) before other items and income taxes</b>	<u>(61,122)</u>	<u>57,667</u>
<b>Other expenses (income)</b>		
Lost revenue due to fraud	43,827	-
Government assistance	(20,000)	-
	<u>23,827</u>	<u>-</u>
<b>Income (loss) before income taxes</b>	<b>(84,949)</b>	<b>57,667</b>
<b>Income tax (recovery)</b>	<u>(11,135)</u>	<u>6,767</u>
<b>Net income (Net loss)</b>	<b>(73,814)</b>	<b>50,900</b>
<b>Retained earnings, beginning of year</b>	<u>249,663</u>	<u>198,763</u>
<b>Retained earnings, end of year</b>	<u><u>\$ 175,849</u></u>	<u><u>\$ 249,663</u></u>

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**Local Media Concepts Inc.****Balance Sheet**

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December 31,	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ -	\$ 265,718
Accounts receivable	273,856	262,554
Income taxes receivable	16,141	-
	<u>289,997</u>	528,272
Due from a shareholder	30,000	30,000
Property, plant and equipment (note 4)	9,229	10,931
Domain name, net of accumulated amortization	20,928	20,928
	<u>\$ 350,154</u>	<u>\$ 590,131</u>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	\$ 7,348	\$ -
Accounts payable and accrued liabilities	166,857	273,601
Income taxes payable	-	6,767
	<u>174,205</u>	280,368
Long-term debt	-	60,000
	<u>174,205</u>	340,368
<b>Shareholders' equity</b>		
Capital stock (note 5)	100	100
Retained earnings	175,849	249,663
	<u>175,949</u>	249,763
	<u>\$ 350,154</u>	<u>\$ 590,131</u>

Approved by the board:

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Director

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## Local Media Concepts Inc.

### Notes to the Financial Information

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For the year ended December 31, 2023

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#### 1. General information

Local Media Concepts Inc. was incorporated under the Canada Business Corporations Act on February 3, 2012. The Company's primary business activity is providing advertising services.

#### 2. Basis of accounting

The basis of accounting applied in the preparation of the balance sheet of Local Media Concepts Inc. as at December 31, 2023 and the statement of income and retained earnings for the year then ended is the historical cost basis and reflects cash transactions with the addition of the following:

- ♦ accounts receivable less an allowance for doubtful accounts
- ♦ property, plant and equipment amortized on the same basis as for income tax
- ♦ accounts payable and accrued liabilities
- ♦ current income taxes payable as at the reporting date

#### 3. Significant accounting policy

##### Property, plant and equipment

Property, plant 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, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	20%
Computer equipment	55%

#### 4. Property, plant and equipment

	<b>2023</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Furniture and fixtures	\$ 1,770	\$ 1,117	\$ 653
Computer equipment	67,159	58,583	8,576
	<b>\$ 68,929</b>	<b>\$ 59,700</b>	<b>\$ 9,229</b>

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**Local Media Concepts Inc.****Notes to the Financial Information**

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**For the year ended December 31, 2023**

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**4. Property, plant and equipment (continued)**

	<u>2022</u>		
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 1,770	\$ 954	\$ 816
Computer equipment	61,572	51,457	10,115
	<u>\$ 63,342</u>	<u>\$ 52,411</u>	<u>\$ 10,931</u>

**5. Capital stock**

	<u>2023</u>	<u>2022</u>
Authorized		
Unlimited number of First Preferred Shares		
Unlimited number of Second Preferred Shares		
Unlimited number of Third Preferred Shares		
Unlimited number of Fourth Preferred Shares		
Unlimited number of Class A Common Shares		
Unlimited number of Class B Common Shares		
Unlimited number of Class C Common Shares		
Issued		
1,000 Class A Common Shares	<u>\$ 100</u>	<u>\$ 100</u>