

**STUDENT ENERGY**

**Financial Statements**

**For the Year Ended December 31, 2013**

**STUDENT ENERGY**  
**Index to the Financial Statements**  
**For the Year Ended December 31, 2013**

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	Page
MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING	1
AUDITOR'S REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 8

**STUDENT ENERGY**  
**Management Responsibility for Financial Reporting**  
**For the Year Ended December 31, 2013**

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**Management Responsibility for Financial Reporting**

The accompanying financial statements of Student Energy are the responsibility of management and have been approved by the board of directors. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented, fairly in all material respects.

The board of directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The board carries out this responsibility through the development and enforcement of policies relating the organization's financial condition, review of annual budgets, comparison actual results to budget on a periodic basis and from the engagement of external auditors. The financial statements have been audited by Scase & Partners, Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the board and members. Scase & Partners has full and free access to the board of directors.

  
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Board of directors



# Scase & Partners

Professional Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Directors and Members of Student Energy:

We have audited the accompanying financial statements of Student Energy, which comprise the statement of financial position as at December 31, 2013, and the statement of operations, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Partners are members of the CGA Association of Alberta.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

Student Energy derives a portion of its revenues from donations, the completeness of which is not susceptible to audit verification. Consequently, we were unable to obtain sufficient appropriate audit evidence to support the completeness of donation revenue, and we were unable to determine whether any adjustments were necessary.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Student Energy. as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations

Calgary, Alberta  
February 7, 2014



Professional Accountants

**STUDENT ENERGY**  
**Statement of Financial Position**  
For the year ended December 31, 2013

	2013	2012
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 63,043	\$ 8,866
Accounts and notes receivable	37,428	-
	<u>100,471</u>	<u>8,866</u>
<b>Property, plant and equipment (Note 3)</b>	<b>11,427</b>	<b>-</b>
	<u>\$ 111,898</u>	<u>\$ 8,866</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 18,972	\$ 8,500
<b>Deferred contributions (Note 4)</b>		
Related to operations	87,318	-
Related to property, plant and equipment	9,033	-
	<u>115,323</u>	<u>8,500</u>
<b>Net assets</b>		
Unrestricted	(3,434)	363
Share capital	9	3
	<u>(3,425)</u>	<u>366</u>
	<u>\$ 111,898</u>	<u>\$ 8,866</u>

Approved by:

Director: 

Director: 

**STUDENT ENERGY**  
**Statement of Operations**  
For the year ended December 31, 2013

	2013	2012
<b>REVENUE</b>		
Corporate sponsorships	\$ 118,102	\$ 45,000
Philanthropy	60,169	-
Grants	43,649	-
Other income	1	1
Licenses and program fees	-	4,990
<b>TOTAL REVENUE</b>	<b>221,921</b>	<b>49,991</b>
<b>EXPENSES</b>		
Salaries and wages	128,451	5,591
Travel	26,360	10,008
Contractors and consultants	19,902	10,697
Marketing	15,220	2,479
Meetings	13,041	2,764
Office and administrative	10,396	3,062
Professional fees	7,633	9,450
Website	3,577	-
Insurance	960	1,200
Amortization	126	-
Volunteer expenses	52	-
Fundraising	-	8,552
Incorporation costs	-	110
<b>TOTAL EXPENSES</b>	<b>225,718</b>	<b>53,913</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (3,797)</b>	<b>\$ (3,922)</b>

**STUDENT ENERGY**  
**Statement of Changes in Net Assets**  
For the Year Ended December 31, 2013

	Shareholders'			
	equity	Unrestricted	2013	2012
Net assets, beginning of the year	\$ 3	\$ 363	\$ 366	\$ 4,288
Deficiency of revenue over expenses	-	(3,797)	(3,797)	(3,922)
Issuance of common shares	6	-	6	-
<b>Net assets (deficiency), end of the year</b>	<b>\$ 9</b>	<b>\$ (3,434)</b>	<b>\$ (3,425)</b>	<b>\$ 366</b>

**STUDENT ENERGY**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2013

	2013	2012
<b>OPERATING ACTIVITIES:</b>		
Deficiency of revenue over expenses	\$ (3,797)	\$ (3,922)
Change in non-cash working capital		
Accounts and notes receivable	(37,428)	-
Amortization expense	126	
Accounts payable and accrued liabilities	10,472	8,338
	<u>(30,627)</u>	<u>4,416</u>
<b>INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(11,553)	-
	<u>(11,553)</u>	<u>-</u>
<b>FINANCING ACTIVITIES:</b>		
Deferred contributions	96,351	-
Issuance of share capital	6	-
	<u>96,357</u>	<u>-</u>
<b>Increase (decrease) in cash</b>	54,177	4,416
Cash at the beginning of the year	<u>8,866</u>	<u>4,450</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u>\$ 63,043</u>	<u>\$ 8,866</u>

# STUDENT ENERGY

## Notes to Financial Statements

For the Year Ended December 31, 2013

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### 1. DESCRIPTION OF BUSINESS

Student Energy (the "Organization") is an organization with a global outlook that is creating the next generation of energy leaders committed to transitioning the world to a sustainable future. The Organization is a registered charity and was incorporated on October 6, 2011 under the Companies Act of Alberta and is not subject to tax under Section 149(1)(l) of the Income Tax Act.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### b) Financial instruments

The Organization initially measures their financial assets and financial liabilities at fair value. They subsequently measure all of their financial assets and liabilities at amortized cost.

The financial assets measured at amortized cost include cash. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### c) Donated services

Volunteers contribute significant amounts of time to the activities of the Organization without compensation. Because of the difficulty in determining the fair value of the services contributed, there has been no recognition of these services in the financial statements.

#### d) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### e) Property, plant and equipment

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at fair market value at the date of acquisition. Amortization is provided on a straight-line basis over the estimated useful life of the assets as follows:

Website development costs	5 years
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#### e) Share Capital

The Organization issued 9 common voting shares valued at \$1 each to the members of the board.

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## STUDENT ENERGY

### Notes to Financial Statements

For the Year Ended December 31, 2013

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### 3. PROPERTY, PLANT AND EQUIPMENT

	COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE	
	2012	2013	2012	2013	2012	2013
Web development cost	\$ -	\$ 11,553	\$ -	\$ 126	\$ -	\$ 11,427

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### 4. DEFERRED CONTRIBUTIONS

	2012	Additions	Transfers	Utilizations	2013
Related to operations:					
Suncor	\$ -	\$ 100,000	\$ (9,033)	\$ (3,649)	\$ 87,318
Related to property, plant and equipment:					
Suncor	\$ -	\$ -	\$ 9,033	\$ -	\$ 9,033
	\$ -	\$ 100,000	\$ -	\$ (3,649)	\$ 96,351

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### 5. CAPITAL MANAGEMENT

Student Energy defines available capital as its net assets and deferred contributions. The Organization's objective is to ensure that capital resources are readily available to meet its approved operating and capital expenditure programs and liabilities as they become due.

The Organization monitors its capital through the use of detailed budgets that are approved by the Board of Directors and the actual results are compared to budget on a periodic basis. Changes to the activity of the Organizations expenditures and other policy amendments are ongoing and are approved by the Board of Directors as needed.

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**STUDENT ENERGY**  
c/o Thompson Penner Lo  
601, 2535 - 3rd Avenue SE  
Calgary, Alberta, T2A 7W5

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February 7, 2014

Scase & Partners Professional Accountants  
Suite 32, 2333 - 18 Avenue NE  
Calgary, Alberta T2E 8T6

Dear Sirs

In connection with your audit of the financial statements of the Student Energy for the year ended December 31, 2013, we hereby confirm that to the best of our knowledge and belief:

1. We are responsible for the fair presentation of the financial statements of the Organization prepared in accordance with Canadian accounting standards for not-for-profit organizations.
2. We understand that your audit was made in accordance with Canadian generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances for the purpose of expressing an opinion on the financial statements. We also understand that such an audit would not necessarily disclose irregularities, should there be any.
3. We have made available to you all:
  - financial records and related data
  - minutes of the meetings of directors.
4. The financial statements of the Organization:
  - (a) present on a fair and consistent basis all assets and all known liabilities of the Organization at the year end;
  - (b) fairly reflect and summarize on a consistent basis the results of all transactions entered into by the Organization during the year.
  - (c) segregate, where required, all transactions between, and all balances due to and from, the Organization and its [directors, etc.] and their immediate families, affiliates and all other related parties.

There have been no exchanges of goods or services with any related party for which appropriate accounting recognition and financial statement disclosure has not been given.
  - (d) record only those assets to which the Organization has title and reflect only those transactions properly related to the activities of the Organization.
5. All assets, wherever located, to which the Organization had satisfactory title at the year end, have been fairly stated and recorded in the financial statements.
6. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.

7. Accounts receivable represent bona fide claims for Goods and Services Tax and credits in accounts payable arising on or before the year end.
8. The estimated useful lives of property and equipment, as disclosed in the financial statements, are a reasonable basis for amortization. Appropriate provisions have been made for idle or obsolete assets.
9. There are no direct or contingent liabilities, unusual contractual obligations nor any substantial commitments, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the Organization, except as disclosed in the financial statements.
10. We are not aware of any illegal or possibly illegal acts for which we have not disclosed to you all the facts related thereto.
11. We are aware of the environmental laws and regulations that impact on our Organization and we are in compliance. There are no known environmental liabilities that have not been accrued for or disclosed in the financial statements.
12. There are no outstanding legal actions or possible claims which have not been provided for or disclosed in the financial statements.
13. We have disclosed to you all significant member/customers and/or suppliers of the Organization who individually represent a significant volume of transactions with our Organization. We are of the opinion that the volume of transactions (sales, services, purchases, borrowing and lending) done by the Organization with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the Organization.
14. The minute books of the Organization are a complete record of all meetings and resolutions of directors throughout the year and to the present date.
15. There have been no irregularities involving management or employees who have significant roles in the system of internal control.
16. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
17. No events or transactions other than those disclosed in the financial statements have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

Yours sincerely,

Student Energy

Per: Timothy Hamann Title: TREASURER Date: 2/7/14