

STUDENT ENERGY

FINANCIAL STATEMENTS

DECEMBER 31, 2015

STUDENT ENERGY

DECEMBER 31, 2015

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
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 Financial Statements	7 - 9



Scase & Partners

Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the 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, 2015, 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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Student Energy, as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
March 4, 2016



Professional Accountants

STUDENT ENERGY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 10,615	\$ 44,531
Accounts receivable	15,005	5
Goods and services tax receivable	4,992	2,681
	30,612	47,217
PROPERTY (Note 3)	113,917	94,380
	\$ 144,529	\$ 141,597
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,437	\$ 16,888
Deferred contributions (Note 4)	62,730	104,817
	72,167	121,705
NET ASSETS		
UNRESTRICTED	21,169	19,886
INVESTED IN PROPERTY	51,187	-
SHARE CAPITAL (Note 5)	6	6
	72,362	19,892
	\$ 144,529	\$ 141,597

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

The notes form an integral part of these financial statements

STUDENT ENERGY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUE		
Corporate sponsorships	\$ 164,401	\$ 170,940
Grants	104,771	134,405
Licenses and program fees	50,535	18,923
Other income	19,431	2,510
Philanthropy	2,150	6,856
	<hr/> 341,288	<hr/> 333,634
EXPENDITURES		
Salaries and benefits	114,964	146,037
Marketing	42,758	14,621
Contractors and consultants	38,527	7,219
Amortization	26,237	13,792
Meetings	24,651	22,502
Travel	18,252	16,864
Office and administrative	12,251	15,168
Professional fees	8,949	6,215
Insurance	1,125	1,175
Facilities and equipment	804	57,671
Website	300	9,053
	<hr/> 288,818	<hr/> 310,317
EXCESS OF REVENUE OVER EXPENDITURES	<hr/> \$ 52,470	<hr/> \$ 23,317

The notes form an integral part of these financial statements

STUDENT ENERGY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2015

	Share Capital	Invested in Property	Unrestricted	2015	2014
Net assets (deficit), beginning of year	\$ 6	\$ 39,203	\$ (19,317)	\$ 19,892	\$ (3,425)
Excess revenue over expenditures	-	(12,922)	65,392	52,470	23,317
Purchase of property	-	24,906	(24,906)	-	-
Net assets, end of year	\$ 6	\$ 51,187	\$ 21,169	\$ 72,362	\$ 19,892

The notes form an integral part of these financial statements

STUDENT ENERGY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 52,470	\$ 23,317
Items not requiring an outlay of cash:		
Amortization	26,237	13,792
	78,707	37,109
CHANGES IN NON-CASH WORKING CAPITAL BALANCES		
Accounts and notes receivable	(17,312)	34,742
Accounts payable and accrued liabilities	(7,451)	(2,084)
	53,944	69,767
FINANCING ACTIVITIES		
Deferred contributions	(42,086)	8,467
INVESTING ACTIVITIES		
Purchases of property	(45,774)	(96,746)
DECREASE IN CASH for the year	(33,916)	(18,512)
CASH , beginning of year	44,531	63,043
CASH , end of year	\$ 10,615	\$ 44,531

The notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

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.

1. 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 conformity 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 reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable, property, accounts payable and accrued liabilities and deferred contributions.

(e) Property

Purchased property is recorded at cost. Donated property is recorded at fair market value at the date of acquisition. Amortization is provided using the straight-line method at rates designed to amortize the cost of the property over the estimated useful life. The annual amortization rate is as follows:

Website development cost

5 years

STUDENT ENERGY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

2. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Imaginea	\$ 15,000	\$ -
Other	<u>5</u>	<u>5</u>
	<u>\$ 15,005</u>	<u>\$ 5</u>

3. PROPERTY

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2015</u>	<u>Net 2014</u>
Website development cost	\$ <u>154,072</u>	\$ <u>40,155</u>	\$ <u>113,917</u>	\$ <u>94,380</u>

4. DEFERRED CONTRIBUTIONS

	<u>Related to Operations</u>	<u>Related to Property</u>	<u>Net 2015</u>	<u>Net 2014</u>
Beginning balance	\$ 49,640	\$ 55,177	\$ 104,817	\$ 96,351
Additions	70,000	-	70,000	50,000
Transfers	(20,869)	20,869	-	-
Utilizations	<u>(98,771)</u>	<u>(13,316)</u>	<u>(112,087)</u>	<u>(41,534)</u>
Ending balance	<u>\$ -</u>	<u>\$ 62,730</u>	<u>\$ 62,730</u>	<u>\$ 104,817</u>

5. SHARE CAPITAL

	<u>2015</u>	<u>2014</u>
Issued:		
6 Class A common voting shares	\$ <u>6</u>	\$ <u>6</u>

The Organization issued 6 common voting shares valued at \$1 each to the members of the board.

6. 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.