

CENTURY FINANCIAL CAPITAL GROUP INC.

FINANCIAL STATEMENTS

AUGUST 31, 2014

(Expressed in Canadian Dollars)

CENTURY FINANCIAL CAPITAL GROUP INC.

FINANCIAL STATEMENTS

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Schwartz Levitsky Feldman Iip

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Century Financial Capital Group Inc.

We have audited the accompanying financial statements of Century Financial Capital Group Inc. which comprise the statements of financial position as at August 31, 2014 and 2013 and the statements of operations and comprehensive loss, changes in shareholders' deficiency and cash flows for the years 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 International Financial Reporting Standards, 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 audits. We conducted our audits 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.

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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.

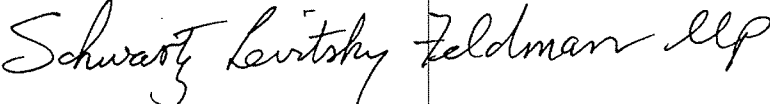
We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Century Financial Capital Group Inc. as at August 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company incurred a net loss of \$47,961 during the year ended August 31, 2014, and as of that date, the Company has a cumulative loss of \$1,620,282 and a working capital deficiency of \$53,859. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



Toronto, Ontario
December 23, 2014

Chartered Accountants
Licensed Public Accountants

CENTURY FINANCIAL CAPITAL GROUP INC.

Statement of Financial Position As at August 31, 2014 and 2013 (Expressed in Canadian Dollars)

	2014	2013
Assets		
Current assets		
Cash	\$ 84	\$ 1,597
HST receivable	<u>4,028</u>	<u>377</u>
Total assets	<u>\$ 4,112</u>	<u>\$ 1,974</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 51,955	\$ 17,463
Due to related parties (Note 3)	<u>6,016</u>	<u>158,727</u>
Total liabilities	<u>57,971</u>	<u>176,190</u>
Shareholders' deficiency		
Share capital (Note 4)		
Common shares	1,398,105	1,398,105
Shares to be issued	168,318	-
Deficit	<u>(1,620,282)</u>	<u>(1,572,321)</u>
Total shareholders' deficiency	<u>(53,859)</u>	<u>(174,216)</u>
Total liabilities and shareholders' deficiency	<u>\$ 4,112</u>	<u>\$ 1,974</u>
Going concern (Note 1)		
Related Party Transactions (Note 3)		

The accompanying notes are an integral part of these financial statements.

These financial statements are approved on behalf of the Board of Directors.

“Harry Bregman”

“Gordon Wilton”

Harry Bregman, Chief Executive Officer
Date: DECEMBER 23, 2014

Gordon Wilton, Chief Financial Officer
DATE: DECEMBER 23, 2014

CENTURY FINANCIAL CAPITAL GROUP INC.

Statement of Operations and Comprehensive Loss Years ended August 31, 2014 and 2013 (Expressed in Canadian Dollars)

	2014	2013
Revenue	\$ -	\$ -
Operating Expenses		
Professional fees	7,358	10,876
Shareholder information	31,868	6,303
Accounting and corporate services	5,400	5,400
Transfer fees	3,105	3,100
Office and general	230	205
Recovery of leases written off in prior years	-	(5,407)
	<u>47,961</u>	<u>20,477</u>
Loss before income taxes	(47,961)	(20,477)
Income taxes (Note 5)	-	-
Net loss and comprehensive loss	<u>\$ (47,961)</u>	<u>\$ (20,477)</u>
Basic and diluted loss per share (Note 4)	<u>\$ (0.0329)</u>	<u>\$ (0.0159)</u>
Weighted average number of common shares outstanding	<u>1,459,891</u>	<u>1,285,338</u>

The accompanying notes are an integral part of these financial statements.

CENTURY FINANCIAL CAPITAL GROUP INC.

Statement of Changes in Shareholders' Deficiency Years ended August 31, 2014 and 2013 (Expressed in Canadian Dollars)

	Number of Common Shares (*)	Number of Class A Preference Shares	Common Shares	Class A Preference Shares	Shares to be issued	Deficit	Total
Balance, August 31, 2012	1,107,891	704,000	\$1,046,468	\$351,637	-	\$(1,551,844)	\$(153,739)
Conversion of Class A preference shares into common shares	352,000	(704,000)	\$351,637	\$(351,637)	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	-	\$(20,477)	\$(20,477)
Balance, August 31, 2013	1,459,891	-	\$1,398,105	-	-	\$(1,572,321)	\$(174,216)
Shares to be issued for settlement of debts (note 3 and 4)	-	-	-	-	236,020	-	236,020
Loss on settlement (note 3 and 4)	-	-	-	-	(67,702)	-	(67,702)
Net loss and comprehensive loss for the year	-	-	-	-	-	(47,961)	(47,961)
Balance August 31, 2014	<u>1,459,891</u>	<u>-</u>	<u>\$1,398,105</u>	<u>-</u>	<u>\$168,318</u>	<u>\$(1,620,282)</u>	<u>\$(53,859)</u>

*shares have been retroactively adjusted for consolidating shares on a 1:10 basis.

The accompanying notes are an integral part of these financial statements.

CENTURY FINANCIAL CAPITAL GROUP INC.

Statement of Cash Flows Years ended August 31, 2014 and 2013 (Expressed in Canadian Dollars)

	2014	2013
Cash flows from operating activities:		
Net loss for the year	\$ (47,961)	\$ (20,477)
Changes in non-cash working capital items:		
HST receivable	(3,651)	1,543
Accounts payable and accrued liabilities	34,492	(9,807)
Due to related parties	15,607	27,875
Cash used in operating activities	(1,513)	(866)
Net decrease in cash, during the year	(1,513)	(866)
Cash, beginning of year	1,597	2,463
Cash, end of year	\$ 84	\$ 1,597

The accompanying notes are an integral part of these financial statements.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements

August 31, 2014 and 2013

(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Century Financial Capital Group Inc. (the "Company") was incorporated under the Business Corporations Act of Ontario on October 20, 1994. The Company's head office is located at 4 King Street West, Suite 1320, Toronto, Ontario, M5H 1B6.

The Company was engaged in the leasing of various kinds of operating and manufacturing equipment such as industrial and construction machinery. All leases were fully written off prior to the date of transition to IFRS. As at August 31, 2014, the Company has no more leases and is currently inactive. Even though the leases have been fully written off, the Company is still endeavoring to recover some of the amounts due on the leases written off due to defaults and non-payments.

As at August 31, 2014, the Company has a working capital deficiency of \$53,859 and a history of losses which raise substantial doubt about the Company's ability as a going concern. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at August 31, 2014, management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements of the Company for the year ended August 31, 2014 were approved by the board of directors on December 23, 2014.

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain assets and financial instruments that are measured at their fair value as explained in the significant accounting policies below. Historical cost is based on the fair values of the consideration given in exchange for assets.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements

August 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(d) Income taxes

Income tax expense comprises of current and deferred taxes.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable or receivable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amount of an asset or liability and of its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

(e) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Preference shares with terms requiring the Company, at the option of the holder, to convert into a fixed number of common shares at any time, without any obligation to deliver cash or another financial asset, are classified as equity.

(f) Loss per share

Loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding for the relevant period. Diluted loss per common share is computed by dividing the net loss by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements

August 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Use of estimates and critical judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Key areas requiring judgment and estimation uncertainty includes:

- Valuation of financial instruments including provisions; and
- Assessment of unrecognized deferred tax assets and liabilities for recoverability.

(h) Financial instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held to maturity ("HTM"), or available-for-sale financial assets ("AFS"), as appropriate at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. A financial asset is derecognized when contractual rights to the asset's cash flows expire or if substantially all the risks and rewards of the asset are transferred. The Company does not currently have any financial assets in the HTM or AFS categories.

Financial assets at FVTPL

A financial asset is classified as FVTPL when the financial assets are held-for-trading or it is designated upon initial recognition as an FVTPL. A financial asset is classified as held-for-trading if (1) it has been acquired principally for the purpose of selling or repurchasing in the near term; (2) it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (3) it is a derivative that is not designated and effective as a hedging instrument. Financial assets at FVTPL are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. Transaction costs are expensed as incurred. The Company has classified cash as FVTPL.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements

August 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial instruments (cont'd)

Available for Sale ('AFS')

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available for-sale are carried at fair value with the changes in fair value recorded in other comprehensive income, except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. Interest on available-for-sale assets is calculated using the effective interest rate method and is recognized in profit or loss.

Transaction costs incurred to acquire available-for-sale financial instruments are included in the underlying balance. When there is objective evidence of impairment, the cumulative loss included in accumulated other comprehensive income is removed and recognized in profit or loss. Gains and losses realized on disposal of available-for-sale securities are recognized in profit or loss. No financial assets are classified as available-for-sale.

Held to Maturity ("HTM")

Financial assets that have a fixed maturity date and which the Company has positive intention and the ability to hold to maturity are classified as held-to-maturity and are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire held-to-maturity financial instruments are included in the underlying balance.

Loans and Receivables

Trade receivables and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables. Accounts receivable are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost, calculated using the effective interest method. This method calculates the amortized cost of a financial instrument and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the instrument's expected life, or where appropriate, a shorter period. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statements of operations and comprehensive loss when the receivables are derecognized or impaired, as well as through the amortization process. The Company has classified HST receivable as loans and receivables. The carrying value of HST receivable approximates its fair values due to their relatively short period to maturity.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements August 31, 2014 and 2013 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial instruments (cont'd)

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective rate.

The carrying amount of receivables is reduced through the use of an allowance account. Associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statements of operations and comprehensive loss.

Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate upon initial recognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. The Company does not currently have any financial liabilities classified at FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to the initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The Company's other financial liabilities include accounts payable and accrued liabilities and due to related parties.

The carrying value of accounts payable and accrued liabilities and due to related parties approximates their fair value due to the relatively short periods to maturity.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements

August 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial instruments (cont'd)

Financial instruments carried at fair value

Financial instruments carried at fair value on the statements of financial position are measured using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

HST receivable, accounts payable and accrued liabilities and due to related parties are classified as level 3.

(i) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements
August 31, 2014 and 2013
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Accounting standards adopted during the year

The following is an overview of accounting standards adopted during the year that are relevant to the Company in preparing its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued are either not applicable or do not have a significant impact on the Company's financial statements.

Financial Assets and Liabilities

During the year ended August 31, 2014, the Company adopted certain amendments to IFRS 7, *Financial Instruments: Disclosures* on a retrospective basis. These amendments contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position and subject to master netting arrangements or similar arrangements. As the Company is not offsetting financial instruments and does not have relevant offsetting arrangements, the retrospective adoption of these amendments to IFRS 7 did not have any impact on the disclosures of the Company.

Fair Value Measurement

During the year ended August 31, 2014, the Company adopted IFRS 13, *Fair Value Measurement* on a prospective basis. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. The adoption of IFRS 13 did not have a material impact on the fair value measurements carried out by the Company.

Presentation of Financial Statements

During the year ended August 31, 2014, the Company adopted amendments to IAS 1, *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income on a retrospective basis*. The amendment requires that a Company present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Additional disclosures required as a result of the adoption of IAS 1 had no impact on the Company's financial statements and no changes were required to the comparative figures.

(k) Recent Accounting Pronouncements Not Yet Adopted

The following is an overview of new or amended IFRSs that are relevant to the Company in preparing its financial statements in future periods. The Company has not yet completed the process of assessing the impact that the new and amended standards will have on its financial statements or determining whether to adopt in advance any of the new requirements.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements

August 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Recent Accounting Pronouncements Not Yet Adopted (cont'd)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

IFRS 9 Financial Instruments

In November 2009, IFRS 9 Financial Instruments was published covering the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and a single impairment method replacing the multiple rules in IAS 39. In October 2010, the IASB published amendments to IFRS 9 Financial Instruments which provides added guidance on the classification and measurement of financial liabilities. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. For annual periods beginning before January 1, 2015, either IFRS 9 (2009) or IFRS 9 (2010) may be applied. The Company has not yet assessed the impact of the adoption of this standard on its financial statements.

Financial Assets and Liabilities

In December 2011, the IASB published amendments to IAS 32 Financial Instruments: Presentation. The effective date for the amendments to IAS 32 is for annual periods beginning on or after January 1, 2014. These amendments are to be applied retrospectively. The amendments to IAS 32 clarify when an entity has a legally enforceable right to offset, as well as clarify, when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement. The Company has not yet assessed the impact of the adoption of this standard on its financial statements.

IFRS 2 Share-based Payment

The amendments to IFRS 2, Share-based Payment, effective for transactions with a grant date on or after July 1, 2014, changed the definitions of "vesting condition" and "market condition", and added definitions for "performance condition" and "service condition". These amendments did not have a significant impact on the Company's financial statements.

Annual Improvements to IFRS (2010 – 2012) and (2011 – 2013) cycles

In December 2013, the IASB issued narrow-scope amendments to a total of nine standards as part of its annual improvements process. Special transitional requirements have been set for certain of these amendments. Most amendments will apply prospectively for annual periods beginning on or after July 1, 2014, earlier application is permitted. The Company intends to adopt these amendments in its financial statements for the annual period beginning September 1, 2014. The extent of the impact of adoption of the amendments has not yet been determined.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements August 31, 2014 and 2013 (Expressed in Canadian Dollars)

3. RELATED PARTY TRANSACTIONS

The amounts due to related parties as at August 31, 2014 of \$6,016 (2013 – \$158,727) are unsecured, non-interest bearing and carries no specific terms of repayment. Included in due to related parties is a balance due to a private company owned by a Director of the Company in the amount of \$4,406 (2013 – \$130,852). The remaining related party balance of \$1,610 (2013 – \$27,875) consists of amounts due to the Director of the Company and the Director's spouse.

The Company entered into a management agreement on March 1, 2002 with a private company to provide management and consulting services. The Company initially agreed to pay \$2,000 per month for these services. Effective March 1, 2004 the fee increased to \$4,000 per month. The management agreement does not have an expiry date but it may be cancelled by either party on sixty days written notice. During fiscal 2014, the Company incurred a total of \$nil (2013 – \$nil) in management fees due to the waiver of the current and prior year's management fees by the service provider. The private company is owned by a shareholder who is related to one of the directors. The amount incurred was agreed to by the parties through the management agreement.

At the annual and special meeting of shareholders held on April 3, 2014, the Company's shareholders approved the issuance of the following post-consolidated common shares in settlement of debt:

1. 2,708,080 post-consolidated common shares in settlement of a debt of \$67,702 due to Harper Capital Inc.
2. 1,354,040 post-consolidated common shares in settlement of a debt of \$67,702 due to Harper Capital Inc.
3. 336,220 post-consolidated common shares in settlement of a debt of \$16,811 due to Harry Bregman.
4. 322,060 post-consolidated common shares in settlement of a debt of \$16,103 due to Bernice Bregman.

As the date of issuance of the financial statements, these shares have not been issued. (see also note 4).

4. SHARE CAPITAL

- a) Authorized and issued share capital

The Company is authorized to issue an unlimited number of the following classes of shares.

Class A preference shares convertible into 5 common shares for each Class A preference share.

Common shares

Issued:

Common shares – without nominal or par value

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements August 31, 2014 and 2013 (Expressed in Canadian Dollars)

4. SHARE CAPITAL (cont'd)

	2014		2013	
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>
Shares issued and outstanding as at September 1	1,459,891	\$1,398,105	1,107,891	\$1,046,468
Conversion of Class A preference shares into common shares	-	-	352,000	351,637
Shares issued and outstanding as at August 31	<u>1,459,891</u>	<u>\$1,398,105</u>	<u>1,459,891</u>	<u>\$1,398,105</u>

Issued:

Convertible Class A preference shares

	2014		2013	
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>
Shares issued and outstanding as at September 1	-	-	704,000	351,637
Conversion of Class A preference shares into common shares	-	\$ -	(704,000)	(351,637)
Shares issued and outstanding as at August 31	-	\$ -	-	\$ -

Class A preference shares are convertible into common shares of the Company at any time at the option of the holder on the basis of 5 common shares for each Class A preference share held and were converted on February 28, 2013.

By Articles of Amendment dated April 28, 2014 the common shares of the Company were consolidated on a 1:10 basis, which has been retroactively adjusted as at September 1, 2012.

Pursuant to the annual and special meeting of shareholders' resolution dated April 3, 2014, a total of 4,720,400 common shares valued at \$236,020 are to be issued to settle the amounts due to the related parties, in the amount of \$168,318, resulting in \$67,702 loss on settlement of related party debt which is charged to equity (see also note 3).

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements August 31, 2014 and 2013 (Expressed in Canadian Dollars)

4. SHARE CAPITAL (cont'd)

Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

	<u>2014</u>	<u>2013</u>
Numerator		
Net loss for the year	\$ (47,961)	\$ (20,477)
Denominator		
Weighted average number of common shares outstanding	<u>1,459,891</u>	<u>1,285,338</u>
Basic and diluted loss per share	<u>\$ (0.0329)</u>	<u>\$(0.0159)</u>

5. INCOME TAXES

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and unused tax losses.

Unrecognized deferred tax assets as at August 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Non-capital losses carried forward	\$ 394,635	\$ 392,650
Cumulative Eligible Capital Balance	147	147
Capital loss carried forward	<u>4,200</u>	<u>4,200</u>
Unrecognized deferred tax asset	<u>\$ 398,982</u>	<u>\$ 396,997</u>

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements August 31, 2014 and 2013 (Expressed in Canadian Dollars)

5. INCOME TAXES (cont'd)

The reconciliation of income taxes at Canadian statutory rates to the provision for income taxes is as follows:

	2014	2013
Loss before income taxes	<u>\$(47,961)</u>	<u>\$(20,477)</u>
Approximate applicable statutory rate	26.50%	26.50%
Income tax at statutory rates	(12,710)	(5,426)
Tax benefit for losses carry forward, not recognized	<u>12,710</u>	<u>5,426</u>
Income tax provision	<u>\$ -</u>	<u>\$ -</u>

As at August 31, 2014 the Company has business losses available for carry forward of approximately \$1,489,190. These losses have not been recognized in the financial statements. These losses expire as follows:

Year	Amount
2015	3,866
2026	725
2027	149,454
2028	37,024
2029	991,054
2030	79,520
2031	79,544
2032	74,158
2033	25,884
2034	47,961
Total	<u>\$ 1,489,190</u>

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements
August 31, 2014 and 2013
(Expressed in Canadian Dollars)

6. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the operations of the Company.

The Company considers its capital to be share capital and due to related parties.

The Company manages its capital structure in a manner that provides sufficient funding to maintain its operations. Funds are primarily secured through loans from directors and companies controlled by directors.

The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the years ended August 31, 2014 and 2013. The Company is not subject to externally imposed capital requirements.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at August 31, 2014 and 2013 the estimated fair values of cash, accounts payable and accrued liabilities and due to related parties approximate their respective carrying values due to the short period to maturity. The Company classifies its fair value measurements as within fair value hierarchy (see Note 2h).

The fair value of cash is based on level 2 inputs of the fair value hierarchy and financial liabilities are based on level 3 inputs.

Unless otherwise indicated, the Company is not exposed to any significant risks from its financial instruments.

The Company's risk exposure and the management of such risk is as follows:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations from available cash. The ability to do this is dependent on loans from directors and companies controlled by directors.