

**TJR COATINGS INC.**

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

APRIL 30, 2014

(expressed in Canadian dollars)

The auditor of TJR Coatings Inc. has not performed a review of the unaudited condensed interim statements for the period ended April 30, 2014 and April 30, 2013.

# TJR Coatings Inc.

## Condensed Interim Statement of Financial Position (Expressed in Canadian dollars)

As at April 30

	Unaudited April 30, 2014	Audited January 31, 2014
<b>Assets</b>		
	\$ -	\$ -
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	7,481	7,058
<b>Non-current</b>		
Loan payable (Note 7)	207,909	202,085
	<b>215,390</b>	<b>209,143</b>
<b>Shareholder's Equity</b>		
Share capital (Note 4)	511,600	511,600
Deficit	(726,990)	(720,743)
	<b>(215,390)</b>	<b>(209,143)</b>
	\$ -	\$ -

Approved on behalf of the Board

*"Edward Murphy"*

Edward Murphy, Director

*"Inga Gratcheva"*

Inga Gratcheva, Director

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

# TJR Coatings Inc.

## Condensed Interim Statement of Financial Position (Expressed in Canadian dollars)

As at April 30

Unaudited	Number of Common shares	Share Capital	Deficit
<b>Balance at January 31, 2013</b>	<b>22,583,836</b>	<b>\$ 511,600</b>	<b>\$ (685,083)</b>
Net loss			(5,180)
<b>Balance at April 30, 2013</b>	<b>22,583,836</b>	<b>\$ 511,600</b>	<b>\$ (690,263)</b>
Net loss			(30,480)
<b>Balance at January 31, 2014</b>	<b>22,583,836</b>	<b>\$ 511,600</b>	<b>\$ (720,743)</b>
Net loss			(6,247)
<b>Balance at April 30, 2014</b>	<b>22,583,836</b>	<b>\$ 511,600</b>	<b>\$ (726,990)</b>

The accompanying notes are an integral part of these financial statements

## TJR Coatings Inc.

### Condensed Interim Statement of Loss and Comprehensive Loss (Expressed in Canadian dollars)

For period ended April 30

Unaudited	2014	2013
Revenues	\$ -	\$ -
<b>Expenses</b>		
Professional fees	1,271	997
Interest on loan payable	4,976	4,183
	<b>6,247</b>	<b>5,180</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (6,247)</b>	<b>\$ (5,180)</b>
Basic and diluted loss per share	0.00	0.00
Weighted average number of shares outstanding	22,583,836	22,583,836

The accompanying notes are an integral part of these financial statements

# TJR Coatings Inc.

## Condensed Interim Statement of Cash Flows (Expressed in Canadian dollars)

For period ended April 30,

Unaudited	2014	2013
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
Net loss	\$ (6,247)	\$ (5,800)
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	423	57
	<b>(5,824)</b>	<b>(5,743)</b>
<b>Financing activity</b>		
Loan payable (Note 7)	<b>5,824</b>	<b>5,743</b>
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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

# TJR Coatings Inc.

## Notes to Unaudited Condensed Interim Financial Statements (Expressed in Canadian dollars)

**For period ended April 30, 2014**

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### **1. Status of incorporation and nature of activities**

TJR Coatings Inc. (the "Company") is incorporated under the laws of the Province of Ontario. The ultimate controlling shareholder is Mr. Tonino Margani. The registered office and principal place of business of the Company is 31 Sunset Trail, Toronto, Ontario.

### **2. Statement of Compliance and Going concern**

#### **(a) Going concern**

The Company has incurred recurring operating losses since 2002 and has negative working capital. The Company is currently inactive and its future operations are dependent upon the ability of the Company to revive its active status on the Toronto Stock Exchange and to obtain necessary financing. The Company is currently being financed by a director.

Accordingly, the unaudited condensed interim financial statements ("statements") do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

#### **(b) Basis of measurement and statement of compliance**

The financial statements have been prepared under the historical cost basis.

The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These interim financial statements do not include all disclosures normally provided in consolidated annual financial statements and should be read in conjunction with our audited annual financial statements for the year ended January 31, 2014.

These financial statements were approved by the board of directors for issue on June 24, 2014.

#### **(c) Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is our presentation and functional currency.

# TJR Coatings Inc.

## Notes to Unaudited Condensed Interim Financial Statements (Expressed in Canadian dollars)

For period ended April 30, 2014

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### 3. Significant accounting policies

The significant accounting policies used in the preparation of these interim financial statements are consistent with those described in the notes to the Company's annual financial statements for year-ended January 31, 2014.

#### Critical accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates are required in assessing uncollectible receivables, assessment income tax asset and contingencies. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the period in which they become known.

### 4. Capital stock

Authorized:

Unlimited number of common shares

Issued capital stock consists of the following:

	<b>2014</b>	<b>2013</b>
Number of common shares	22,583,836	22,583,836
<b>Balance</b>	<b>\$511,600</b>	<b>\$511,600</b>

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The Company maintains a Stock Option Plan for officers, directors, employees and other persons who provide services for the Company. At the period end April 30, 2014, no options were granted, outstanding or exercised.

### 5. Loss per share

For the purposes of calculating loss per shares, there were no changes in the number of issued and outstanding shares during the year.

# TJR Coatings Inc.

## Notes to Unaudited Condensed Interim Financial Statements (Expressed in Canadian dollars)

For period ended April 30, 2014

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### 6. Income taxes

As at January 31, 2014, the Company has unused non-capital losses. These losses expire as follows:

Tax Year	Amount	Expires
2005	\$ 1,500	2015
2006	1,500	2026
2007	1,500	2027
2008	1,500	2028
2009	1,500	2029
2010	1,500	2030
2011	22,850	2031
2012	57,775	2032
2013	51,659	2033
<hr/>		
<b>\$ 141,284</b>		

Due to the expected future operating results, management has determined that the Company does not meet the 'more likely than not' criteria that the deferred tax assets resulting from the tax losses available for carry forward and the differences in tax bases of assets will be realized through the reduction of future income tax payments, accordingly a 100% valuation allowance has been recorded for future income tax assets.

### 7. Related party loan payable

Loan payable is an advance from a director of the Company which is interest bearing 10%, unsecured, with no fixed repayment terms. The balance is not due within the next twelve months.

The loan is measured at the exchange amount agreed to by the related parties. The loan consists of \$160,520 (Jan. 31, 2014: \$159,673) plus accrued interest of \$47,389 (Jan. 31, 2014: \$42,412).

The fair value estimates for loan payable cannot be determined with sufficient reliability as no active market exists for such related party instruments.

### 8. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern. The strategy remains unchanged from the previous fiscal year. The Company raises capital, as necessary, to meet its needs and therefore, does not have a numeric target for its capital structure.



# TJR Coatings Inc.

## Notes to Unaudited Condensed Interim Financial Statements (Expressed in Canadian dollars)

For period ended April 30, 2014

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### 9. Financial instruments and risk management

#### Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Company would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation. The fair values of the Company's financial instruments are estimated based on the amount at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. As these estimates are subjective in nature, involving uncertainties and matter of judgment, they cannot be determined with precision. Changes in assumptions can affect estimated fair values.

#### Risk management

The Company manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance. The objective of the policy is to reduce volatility in cash flow and earnings.

The Company has exposure to the following risks associated with its financial instruments:

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its loan payable bearing interest at 10%.

**(b) Credit risk**

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk of the Company at year end is the carrying value of its cash and receivables.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. See related party loans, note 7.