

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Financial Statements

Year Ended January 31, 2008

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Year Ended January 31, 2008

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AUDITORS' REPORT

To the Directors of
South End United Soccer Club Inc.

We have audited the balance sheet of South End United Soccer Club Inc. as at January 31, 2008 and the statements of revenue and expenses and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the organization derives revenue from fundraising functions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, revenue under expenses, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of South End United Soccer Club Inc. as at January 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
March 19, 2008

Chartered Accountants

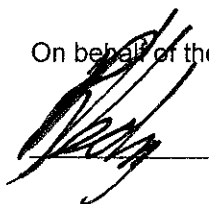
SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)
(Incorporated without share capital under the laws of Manitoba)

Balance Sheet, January 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Current		
Cash	\$ 38,207	\$ 4,481
Accounts receivable		
Trade	7,825	17,386
Interest	-	693
Investment, at cost	-	43,050
Prepaid expenses	<u>6,432</u>	<u>9,446</u>
	52,464	75,056
Capital assets (Note 3)	<u>7,854</u>	<u>9,326</u>
	<u>\$ 60,318</u>	<u>\$ 84,382</u>
LIABILITIES		
Current		
Accounts payable	<u>\$ 13,817</u>	<u>\$ 31,602</u>
NET ASSETS		
Invested in capital assets	(1,472)	-
Unrestricted	<u>47,973</u>	<u>52,780</u>
	<u>46,501</u>	<u>52,780</u>
	<u>\$ 60,318</u>	<u>\$ 84,382</u>

See accompanying notes

On behalf of the Board

 Director

Director

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Statement of Revenue and Expenses

Year Ended January 31, 2008

	2008	2007
Revenue		
Registration fees		
Camps	\$ 34,615	\$ 31,390
Indoor season, competitive	66,659	63,890
Indoor season, recreational	121,240	132,600
Outdoor season, competitive	171,135	146,797
Outdoor season, recreational	183,330	146,762
Summer Academy / All-Stars / DTC	39,898	33,078
Winter Academy / All-Stars / DTC	61,475	43,153
	678,352	597,670
Interest	884	693
Other income, net	1,954	2,962
	681,190	601,325
Expenses		
Administration		
Amortization	2,546	2,332
Bank charges	8,953	1,024
Honorariums	14,341	21,650
Insurance	274	395
Office and sundry	13,816	8,912
Professional fees	2,712	2,363
Rent	15,264	15,324
Salaries	121,231	117,295
Senior team	1,419	1,275
Telephone	2,842	696
Travel	3,000	4,000
Web site	2,549	7,305
	188,947	182,571
Banquets	18,002	14,825
Fields and facilities	40,402	31,755
Program fees	324,054	300,164
Referees	34,447	27,077
Promotions	11,118	12,750
Soccer uniforms and equipment	56,834	62,927
Training and certificates	13,665	12,645
	687,469	644,714
Revenue (under) expenses	\$ (6,279)	\$ (43,389)

See accompanying notes

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Statement of Changes in Net Assets

Year Ended January 31, 2008

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>Total</u>	
			<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ -	\$ 52,780	\$ 52,780	\$ 96,169
Revenue under expenses	(2,546)	(3,733)	(6,279)	(43,389)
Purchase of capital assets	<u>1,074</u>	<u>(1,074)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ (1,472)</u>	<u>\$ 47,973</u>	<u>\$ 46,501</u>	<u>\$ 52,780</u>

See accompanying notes

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Notes to Financial Statements

January 31, 2008

1. Entity definition

South End United Soccer Club Inc. is a not-for-profit organization incorporated without share capital under the Corporations Act of Manitoba on November 9, 2005. As such, it is exempt from paying income taxes.

The organization's function is to develop and operate a complete soccer program and league for soccer players of any age including providing programs under which players, coaches, referees and parents associated with the club can increase their knowledge and skills while having fun playing the world's most popular sport.

2. Summary of significant accounting policies

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization of assets is provided on a straight-line basis over their estimated useful lives as follows:

Furnishings and equipment	5 years
Sign	5 years
Tent	5 years

Revenue recognition

Revenue is recognized when charged and ultimate collection is reasonably assured.

Voluntary services

The organization is dependent upon the voluntary services of a large number of people. The value of these services is not recognized in these financial statements.

Fair value

Due to the short-term nature of all financial instruments, the carrying values as presented in the financial statements are reasonable estimates of fair value. As true for all estimates, actual fair value could differ from these estimates, and if so, any differences would be accounted for in the period in which they become known.

Use of estimates

Financial statements prepared in conformity with Canadian generally accepted accounting principles require 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. Actual results could differ from these estimates.

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Notes to Financial Statements

January 31, 2008

3. Capital assets

	2008		
	Cost	Accumulated Amortization	Net
Furnishings and equipment	\$ 9,485	\$ 3,794	\$ 5,691
Sign	2,173	869	1,304
Tent	1,074	215	859
	\$ 12,732	\$ 4,878	\$ 7,854
	2007		
	Cost	Accumulated Amortization	Net
Furnishings and equipment	\$ 9,485	\$ 1,897	\$ 7,588
Sign	2,173	435	1,738
	\$ 11,658	\$ 2,332	9,326

4. Statement of cash flows

A statement of cash flows has not been prepared as the cash flows are evident from the balance sheet and the statements of operations and changes in net assets.