REPORT OF THE AUDITORS ON THE LIMITED EXAMINATION

financial statements 2018/2019
(september 1st 2018 to august 31st 2019)
REPORT OF THE AUDITORS ON THE LIMITED EXAMINATION
TO THE COUNCIL OF
Neuchâtel Junior Collège
Neuchâtel

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Neuchâtel Junior Collège for the year from September 1st, 2018 to August 31, 2019.

These financial statements are the responsibility of the Council of Foundation. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements.

A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.
Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

FIDUCIAIRE Y. LANOIR & CIE SA

Y. Lanoir
audit expert
(auditor in charge)

F. Hotz

Neuchâtel, November 12, 2019
FH/cj-5

Annexes:
including financial statements
- Balance sheet
- Income Statement
- Notes to the financial statements
- Proposed appropriation of available earnings
# Balance Sheet as at August 31

<table>
<thead>
<tr>
<th>ASSET</th>
<th>31.08.2019</th>
<th>31.08.2018</th>
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<tbody>
<tr>
<td>Cash</td>
<td>2'376.05</td>
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<td>Cash in foreign currencies</td>
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<td>- current account</td>
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<tr>
<td>Toronto Dominion Bank</td>
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<tr>
<td>- current account</td>
<td>436'008.57</td>
<td>218'609.95</td>
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<td>Crédit Suisse</td>
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<td></td>
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<tr>
<td>- current account</td>
<td>2'148'309.52</td>
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<td>- current account guarantee rent</td>
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<td>12'542.05</td>
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<tr>
<td>Accounts receivable</td>
<td>3'307.50</td>
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<tr>
<td>Other accounts receivable</td>
<td>2'578.20</td>
<td>3'113.29</td>
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<tr>
<td>Inventory books, clothing</td>
<td>21'128.63</td>
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<tr>
<td>Prepaid expenses</td>
<td>22'402.07</td>
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<tr>
<td></td>
<td><strong>2'708'563.93</strong></td>
<td><strong>3'692'835.78</strong></td>
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**Fixed assets**

<table>
<thead>
<tr>
<th>Item</th>
<th>31.08.2019</th>
<th>31.08.2018</th>
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</thead>
<tbody>
<tr>
<td>Buildings</td>
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<tr>
<td>Land</td>
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<tr>
<td>Furniture</td>
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<tr>
<td>Car</td>
<td>38'100.00</td>
<td>45'700.00</td>
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<tr>
<td></td>
<td><strong>2'287'100.00</strong></td>
<td><strong>2'176'700.00</strong></td>
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**Total Assets**

<table>
<thead>
<tr>
<th>Item</th>
<th>31.08.2019</th>
<th>31.08.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>4'995'663.93</strong></td>
<td><strong>5'869'535.78</strong></td>
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**BEDLAM SHEET AS AT AUGUST 31**

<table>
<thead>
<tr>
<th>Liabilities and Shareholder's Equity</th>
<th>31.08.2019</th>
<th>31.08.2018</th>
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</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>44'025.25</td>
<td>54'887.80</td>
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<tr>
<td>Payables - Employee related</td>
<td>8'637.25</td>
<td>22'034.45</td>
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<tr>
<td>Donations</td>
<td>254.50</td>
<td>134.50</td>
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<tr>
<td>Deferred fees</td>
<td>1'718'808.68</td>
<td>2'128'952.67</td>
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<tr>
<td>Transitory liability</td>
<td>4'655.01</td>
<td>119'428.42</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
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<td>2'325'437.84</td>
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<td><strong>Long term foreign funds</strong></td>
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<tr>
<td>Mortgage Crédit Suisse</td>
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<td>1'050'000.00</td>
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<td><strong>Reserve</strong></td>
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<tr>
<td>Reserve for losses</td>
<td>60'000.00</td>
<td>60'000.00</td>
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<tr>
<td>Reserve Prévoyance.ne</td>
<td>0.00</td>
<td>72'707.00</td>
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<tr>
<td>Reserve for building maintenance</td>
<td>131'486.95</td>
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<tr>
<td>Reserve for building construction</td>
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<td>250'000.00</td>
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<tr>
<td><strong>Total reserve</strong></td>
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<td>532'707.00</td>
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<td><strong>Owners equity</strong></td>
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<tr>
<td>Capital</td>
<td>928'952.69</td>
<td>928'952.69</td>
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<tr>
<td>General reserve funds</td>
<td>1'032'438.25</td>
<td>887'162.52</td>
</tr>
<tr>
<td>Loss / Profit</td>
<td>-227'594.65</td>
<td>145'275.73</td>
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<tr>
<td><strong>Total owners equity</strong></td>
<td>1'733'796.29</td>
<td>1'961'390.94</td>
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<tr>
<td><strong>Total liabilities and shareholder's equity</strong></td>
<td>4'995'663.93</td>
<td>5'869'535.78</td>
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## INCOME STATEMENT

(period from 1 September 2018 to 31 August 2019)

<table>
<thead>
<tr>
<th></th>
<th>Exercice 18/19 Fr.</th>
<th>Exercice 17/18 Fr.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition fees</td>
<td>2'882'389.79</td>
<td>3'341'227.99</td>
</tr>
<tr>
<td>Contributions DND</td>
<td>210'995.91</td>
<td>344'165.19</td>
</tr>
<tr>
<td>Contributions NJC Fund</td>
<td>145'219.65</td>
<td>230'218.73</td>
</tr>
<tr>
<td>Bursaries and scholarships</td>
<td>142'197.48</td>
<td>229'915.00</td>
</tr>
<tr>
<td>Bookstore</td>
<td>(5'676.82)</td>
<td>(1'776.39)</td>
</tr>
<tr>
<td>School trips</td>
<td>3'003.64</td>
<td>(7'242.38)</td>
</tr>
<tr>
<td>Contribution Town of Neuchâtel</td>
<td>50'000.00</td>
<td>50'000.00</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>3'428'129.65</td>
<td>4'186'508.14</td>
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</tbody>
</table>

| **EXPENSES**                |                    |                    |
| Head of school and teaching salaries | (744'762.75)     | (749'354.20)       |
| Administrative personnel salaries | (254'077.00)     | (281'803.00)       |
| Concierge salary            | (50'435.00)        | (48'960.00)        |
| Social charges and other personnel expenses | (315'829.30)   | (296'193.15)       |
| Room and board for students  | (472'010.35)       | (538'618.55)       |
| Student's meals             | (113'342.50)       | (119'082.50)       |
| Bus and train passes        | (44'128.75)        | (50'218.50)        |
| Tax (student permit)        | (6'273.80)         | (7'300.00)         |
| Insurance for students      | (18'830.00)        | (21'735.00)        |
| Garbage tax                 | (1'661.00)         | (1'362.00)         |
| Student sundries            | (963.20)           | (983.54)           |
| Technology and network expenses | (32'159.89)     | (59'531.09)        |
| Owner's Rent                | (48'000.00)        | (48'000.00)        |
| Teaching material           | (4'173.24)         | (9'129.75)         |
| Speaker Series              | (761.50)           | (2'721.85)         |
| **Total Expenses**          | (2'107'408.28)     | (2'234'993.13)     |
| **Net Income**              | 1'320'721.37       | 1'951'514.97       |
# INCOME STATEMENT

(period from 1 September 2018 to 31 August 2019)

<table>
<thead>
<tr>
<th></th>
<th>Exercice 18/19 Fr.</th>
<th>Exercice 17/18 Fr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report</td>
<td>(2'107'408.28)</td>
<td>(2'234'993.13)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guidance</td>
<td>(1'523.41)</td>
<td>(1'487.41)</td>
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<tr>
<td>Bursaries and scholarships</td>
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<td>Travel (included in tuition)</td>
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<td>Lawyers' fees</td>
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<td>Year book and magazines</td>
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<td>Cultural and sports activities</td>
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<td>Closing ceremony, parents day and banquets</td>
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<td>Furniture and equipment</td>
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<td>Telephone</td>
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<tr>
<td>Office equipment and printing</td>
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<td>Publicity and video</td>
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<td>Professional development</td>
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<td>Trip expenses</td>
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<td>(18'236.70)</td>
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<td>Reception expenses</td>
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<td>Vehicle expenses</td>
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<td>Contributions</td>
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<tr>
<td>Insurance</td>
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<td>(16'601.35)</td>
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<tr>
<td>Change of teachers and Canadian Inspector</td>
<td>(44'589.56)</td>
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<td>Head of school expenses</td>
<td>(17'858.05)</td>
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<td>Council and Committee expenses</td>
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<td>Audit fees</td>
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<td>Sundries</td>
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<td>(5'585.94)</td>
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<tr>
<td><strong>Has reported</strong></td>
<td>(2'936'029.77)</td>
<td>(3'245'248.62)</td>
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</table>
**INCOME STATEMENT**
(period from 1 September 2018 to 31 August 2019)
(after)

<table>
<thead>
<tr>
<th></th>
<th>Exercice 18/19 Fr.</th>
<th>Exercice 17/18 Fr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report</td>
<td>(2'936'029.77)</td>
<td>(3'245'248.62)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teacher's permit and visa</td>
<td>(2'286.00)</td>
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<tr>
<td>Toronto office - general expenses</td>
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<td>(651'655.25)</td>
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<tr>
<td>Expenses paid by NJC Fund</td>
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<td>Foreign exchange</td>
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<tr>
<td></td>
<td>(3'620'662.30)</td>
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<td><strong>OPERATING RESULT</strong></td>
<td>(192'532.65)</td>
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<td><strong>INCOME AND FINANCIAL CHARGES</strong></td>
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<td>(1'117.45)</td>
<td>(2'308.12)</td>
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<tr>
<td><strong>RESULT BEFORE INCOME AND CHARGES OUT OF OPERATING</strong></td>
<td>(193'650.10)</td>
<td>233'079.18</td>
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</table>
INCOME STATEMENT
(period from 1 September 2018 to 31 August 2019)
(after)

<table>
<thead>
<tr>
<th></th>
<th>Exercice 18/19</th>
<th>Exercice 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fr.</td>
<td>Fr.</td>
</tr>
<tr>
<td>RESULT BEFORE INCOME AND CHARGES OUT OF OPERATING</td>
<td>(193'650.10)</td>
<td>233'079.18</td>
</tr>
<tr>
<td>INCOME AND CHARGES OUT OF OPERATING</td>
<td></td>
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</tr>
<tr>
<td>Income of buildings</td>
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<tr>
<td>Maintenance of buildings</td>
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<td>Building improvements</td>
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<td>Heating</td>
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<td>(19'923.05)</td>
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<td>Building insurance</td>
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<td>Electricity</td>
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<td>Garbage tax</td>
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<td>(2'335.75)</td>
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<td>Building depreciation</td>
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<td>(39'579.65)</td>
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<td>Mortgage interest</td>
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<td>Allotment reserve Prévoyance.ne</td>
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<td>Extraordinary profit</td>
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<tr>
<td></td>
<td>(33'944.55)</td>
<td>(87'803.45)</td>
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LOSS / PROFIT

(227'594.65)   145'275.73
General reserve funds and proposed appropriation of available earnings

<table>
<thead>
<tr>
<th></th>
<th>Exercice 18/19</th>
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</thead>
<tbody>
<tr>
<td>General reserve funds as at September, 1st 2018</td>
<td>1'032'438.25</td>
<td>887'162.52</td>
</tr>
<tr>
<td>Loss / Profit</td>
<td>(227'594.65)</td>
<td>145'275.73</td>
</tr>
<tr>
<td>General reserve funds as at August, 31st 2019</td>
<td>804'843.60</td>
<td>1'032'438.25</td>
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NEUCHATEL JUNIOR COLLEGE  
Neuchâtel

<table>
<thead>
<tr>
<th>INCOME STATEMENT</th>
</tr>
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<tbody>
<tr>
<td>(period from 1 September 2018 to 31 August 2019)</td>
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<td>School trips</td>
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<td>(7'242.38)</td>
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<tr>
<td>Contribution Town of Neuchâtel</td>
<td>50'000.00</td>
<td>50'000.00</td>
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<thead>
<tr>
<th>EXPENSES</th>
<th>Fr.</th>
<th>Fr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal salaries</td>
<td>(1'365'104.05)</td>
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<tr>
<td>Residence fees</td>
<td>(689'369.49)</td>
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<tr>
<td>General fees</td>
<td></td>
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</tr>
<tr>
<td>- students</td>
<td>(591'541.01)</td>
<td>(717'818.73)</td>
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<tr>
<td>- reception</td>
<td>(46'388.39)</td>
<td>(53'402.74)</td>
</tr>
<tr>
<td>- personnel</td>
<td>(143'666.44)</td>
<td>(200'384.64)</td>
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<tr>
<td>- administrative</td>
<td>(65'603.16)</td>
<td>(118'306.49)</td>
</tr>
<tr>
<td>Toronto office - general expenses</td>
<td>(638'925.60)</td>
<td>(651'655.25)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(54'256.95)</td>
<td>(40'829.65)</td>
</tr>
<tr>
<td>Financial charges</td>
<td>(18'465.06)</td>
<td>(11'177.84)</td>
</tr>
<tr>
<td>Financial income</td>
<td>0.00</td>
<td>1.26</td>
</tr>
<tr>
<td>Building charge</td>
<td>(128'954.15)</td>
<td>(146'416.80)</td>
</tr>
<tr>
<td>Income of buildings</td>
<td>76'050.00</td>
<td>73'900.00</td>
</tr>
<tr>
<td>Extraordinary profit</td>
<td>10'500.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td><strong>(3'655'724.30)</strong></td>
<td><strong>(4'041'232.41)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOSS / PROFIT</th>
<th>Fr.</th>
<th>Fr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(227'594.65)</td>
<td></td>
<td>145'275.73</td>
</tr>
</tbody>
</table>