
FINANCIAL STATEMENTS

**CANCER EDUCATION RESEARCH
FOUNDATION**

December 31, 2016 and 2015

CANCER EDUCATION RESEARCH FOUNDATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Cancer Education Research Foundation

We have audited the accompanying financial statements of **Cancer Education Research Foundation**, which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of changes in net assets, operations 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 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 organization'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 organization'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Cancer Education Research Foundation as at December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CQK Chartered Accountants LLP

Mississauga, Ontario
September 5, 2017

CHARTERED ACCOUNTANTS
Licensed Public Accountants

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENTS OF FINANCIAL POSITION

As at December 31	2016	2015
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Assets

Current		
Cash	\$ 1,123,507	\$ 1,011,024
Marketable securities	50,000	-
Other receivable	12,498	-
Prepaid and deposits	663	636
	1,186,668	1,011,660
Property, plant and equipment (note 3)	990	-
	\$ 1,187,658	\$ 1,011,660

Liability and fund balances

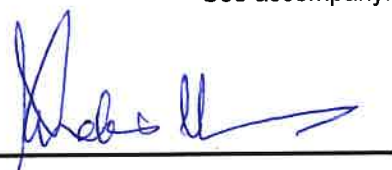
Current		
Accounts payable and accrued liabilities (note 4)	\$ 19,877	\$ 6,489
Operating fund balance	1,167,781	1,005,171
	\$ 1,187,658	\$ 1,011,660

See accompanying notes to financial statements

Approved:

Member

Member



CANCER EDUCATION RESEARCH FOUNDATION

STATEMENTS OF CHANGES IN NET ASSETS

<u>Years ended December 31</u>	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,005,171	\$ -
Excess of revenues over expenditures	162,610	1,005,171
Balance, end of year	\$ 1,167,781	\$ 1,005,171

See accompanying notes to financial statements

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENTS OF OPERATIONS

Years ended December 31	2016	2015
Revenues		
Donation receipts	\$ 1,463,596	\$ 1,046,099
Interest income	-	1,775
	1,463,596	1,047,874
Expenditures		
Fund raising	55,916	-
Amortization	110	-
Bank charges	29,068	16,826
Office and general	4,708	3,745
Salaries and benefits - administration	34,361	12,838
Newsletter - printing and mailing	4,772	5,794
Professional fees	9,551	3,500
	138,486	42,703
Excess of revenues over expenditures before undernoted item	1,325,110	1,005,171
Other expense		
Contributions towards international agreements (Note 5)	1,162,500	-
Excess of revenues over expenditures	\$ 162,610	\$ 1,005,171

See accompanying notes to financial statements

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENTS OF CASH FLOWS

Years ended December 31	2016	2015
Cash flows provided by (used in):		
Operating		
Excess of revenues over expenditures	\$ 162,610	\$ 1,005,171
Adjustment for Amortization	110	-
	162,720	1,005,171
Change in non-cash working capital items		
Marketable securities	(50,000)	-
Other receivable	(12,498)	-
Prepaid and deposits	(27)	(636)
Accounts payable and accrued liabilities	13,388	6,489
	113,583	1,011,024
Investing		
Purchase of property, plant and equipment	(1,100)	-
Increase in cash	112,483	1,011,024
Cash, beginning of year	1,011,024	-
Cash, end of year	\$ 1,123,507	\$ 1,011,024

See accompanying notes to financial statements

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016 and 2015

1. Nature of operations

Cancer Education Research Foundation (CERF) promotes health by funding and providing cancer treatment equipment.

Cancer Education Research Foundation was founded in 2014. It was incorporated without share capital under the incorporation Act of Canada. CERF is a registered Canadian charity under the Canada Not-for-Profit Corporation Act as of July 16, 2014. It meets all legal requirements of Canadian legislation and policies related to charitable organizations, and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Basis of accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below. These financial statements materially differ from Canadian accounting standards for not-for-profit organizations because they are non-consolidated. The organization's investment in its wholly-owned subsidiar[y/ies] [has/have] been recorded at cost. Earnings from the investment are recognized only to the extent dividends are received or receivable.

(b) 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 and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) Property, plant and equipment

Property, plant and equipment is recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over its estimated useful life. The annual amortization rate is as follows:

Computer Equipment	20%
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(d) Revenue recognition

Revenue on significant contracts, which provide for progress billings and payments as part of the contract, are recognized on the percentage of completion method. Deferred revenue, in current liabilities, represents billings rendered in excess of revenue earned.

Unrestricted contributions are recognized as revenue of the operating fund in the year received.

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016 and 2015

2. Significant accounting policies (continued)

(e) Donated material and services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

(f) Contributed services

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While these services benefit the corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(g) Capital management

The organization manages its capital to ensure that it will be able to continue as a going concern while providing funding for acquisition of cancer treatment equipment. As the Organization is a not-for-profit organization, this objective is dependent on the support of individual and corporate donors.

The organization is not subject to externally imposed capital requirements.

The Organization defines its capital as its Fund balances. The Organization manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of its capital requirements, the Organization prepares annual revenue and expenditure budgets which are based on established and projected funding needs for the year. These budgets are updated as necessary depending on changes in circumstances and are approved by the Board of Directors. There has been no change in what the Organization defines as capital, or the objectives, policies and procedures for managing capital in the year.

(h) Financial instruments

The organization's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(i) Fund accounting restricted

The revenues and expenses related to the collection of unrestricted donations and fund raising activities are reported in the General Fund. The Restricted Fund reports amounts for which the use is restricted by the donors and related investment income on the fund balance. The Endowment Fund reports resources contributed with the stipulation that the capital amount be permanently retained. Investment income earned on the externally and internally restricted portions of the Endowment Funds is reported in the Restricted Fund and General Fund, respectively.

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016 and 2015

3. Property, plant and equipment

	2016		2015	
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	\$ 1,100	\$ 110	\$ 990	\$ -

4. Accounts payable and accrued liabilities

	2016		2015	
Trade payables	\$ 10,185	\$ -	\$ -	-
Accrued liabilities	9,000	3,510	-	3,510
Government remittances	692	2,979	-	2,979
	\$ 19,877	\$ 6,489	-	6,489

5. Commitments - International Agreements

Project 1: Funding of Linear Accelerator:

On April 1, 2016 CERF signed an agreement with Shaukat Khanum Cancer Hospital and Research Centre to fund a portion of costs of acquiring a "Linear Accelerator" (LINAC). This equipment will be installed at Shaukat Khanum Memorial Cancer Hospital and Research Centre, Pakistan. CERF is committed to fund \$750,000 towards this project of which \$562,500 has been funded in 2016. Remaining balance of \$187,500 was paid in 2017 upon receipt of final project completion report.

Project 2: Funding of Diesel Generator:

On April 30, 2016 CERF signed an agreement with Shaukat Khanum Memorial Trust to fund a portion of costs of acquiring a Diesel Generator. This equipment will be installed at Shaukat Khanum Memorial Cancer Hospital and Research Centre, Peshawar Pakistan to ensure uninterrupted power supply. CERF is committed to fund \$750,000 towards this project of which \$600,000 has been funded in 2016. Remaining balance of \$150,000 was paid in 2017 upon receipt of final project completion report.

Project 3: Funding of Magnetic Resonance Imaging (MRI):

Subsequent to the year-end, on August 31, 2017, CERF signed a two years agreement with Shaukat Khanum Memorial Trust to fund a portion of costs of acquiring a Magnetic Resonance Imaging (MRI) machine. This equipment will be installed at Shaukat Khanum Memorial Cancer Hospital and Research Centre, Lahore, Pakistan. Total cost of this equipment is estimated to be \$2,723,300 of which CERF is committed to fund \$1,770,145 towards this project.

CANCER EDUCATION RESEARCH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016 and 2015

6. Contractual obligations

The organization's total obligations, under various International Agreements are as follows:

2017	\$ 927,549
2018	590,048
2019	590,048
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	\$ 2,107,645
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