
FINANCIAL STATEMENTS

**CANCER EDUCATION RESEARCH
FOUNDATION**

December 31, 2017

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 statement of financial position as at December 31, 2017, and the statements of changes in net assets, operations and cash flows for the year 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.

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

INDEPENDENT AUDITOR'S REPORT (continued)

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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CQK Chartered Accountants LLP

Mississauga, Ontario
October 5, 2018

CHARTERED ACCOUNTANTS
Licensed Public Accountants

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31	2017	2016
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Assets

Current		
Cash	\$ 1,977,423	\$ 1,123,507
Marketable securities	50,553	50,000
Other receivable	6,899	12,498
Prepaid and deposits	3,245	663
	2,038,120	1,186,668
Property, plant and equipment (note 3)	792	990
	\$ 2,038,912	\$ 1,187,658

Liability and fund balances

Current		
Accounts payable and accrued liabilities (note 4)	\$ 8,206	\$ 19,877
Operating fund balance	2,030,706	1,167,781
	\$ 2,038,912	\$ 1,187,658

See accompanying notes to financial statements

Approved:

Member



Member

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31	2017	2016
Balance, beginning of year	\$ 1,167,781	\$ 1,005,171
Excess of revenues over expenditures	862,925	162,610
Balance, end of year	\$ 2,030,706	\$ 1,167,781

See accompanying notes to financial statements

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENT OF OPERATIONS

Year ended December 31	2017	2016
Revenues		
Donation receipts	\$ 1,928,819	\$ 1,463,596
Other revenue	4,751	-
	1,933,570	1,463,596
Expenditures		
Fund raising	38,631	55,916
Bank charges	36,468	29,068
Management salaries	35,642	34,361
Newsletter - Printing and mailing	20,936	4,772
Professional fees	5,402	9,551
Office and general	5,819	4,708
Amortization	198	110
	143,096	138,486
Excess of revenues over expenditures before undernoted item	1,790,474	1,325,110
Other expense		
Contributions towards international agreements (Note 5)	927,549	1,162,500
Excess of revenues over expenditures	\$ 862,925	\$ 162,610

See accompanying notes to financial statements

CANCER EDUCATION RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS

Year ended December 31	2017	2016
Cash flows provided by (used in):		
Operating		
Excess of revenues over expenditures	\$ 862,925	\$ 162,610
Adjustment for		
Amortization	198	110
	863,123	162,720
Change in non-cash working capital items		
Marketable securities	(553)	(50,000)
Other receivable	5,599	(12,498)
Prepaid and deposits	(2,582)	(27)
Accounts payable and accrued liabilities	(11,671)	13,388
	853,916	113,583
Investing		
Purchase of property, plant and equipment	-	(1,100)
	853,916	112,483
Increase in cash	853,916	112,483
Cash, beginning of year	1,123,507	1,011,024
Cash, end of year	\$ 1,977,423	\$ 1,123,507

See accompanying notes to financial statements

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

1. Nature of operations

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

Cancer Education Research Foundation was incorporated without share capital under the Canada Not-for-Profit Corporation Act as of July 16, 2014. CERF is a registered Canadian charity as 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 by management in accordance with the Canadian standards for not-for-profit organizations with significant accounting policies as set out below.

(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

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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, marketable securities, advances receivable, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

3. Property, plant and equipment

	2017		2016	
	Cost	Accumulated amortization	Net	Net
Computer Equipment	\$ 1,100	\$ 308	\$ 792	\$ 990

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

4. Accounts payable and accrued liabilities

	2017	2016
Trade payables	\$ -	\$ 10,185
Accrued liabilities	7,500	9,000
Government remittances	706	692
	\$ 8,206	\$ 19,877

5. Commitments and 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 of which \$590,049 has been funded in 2017. Remaining balance of \$1,180,096 that is expected to be paid in 2018 and 2019 upon receipt of milestone and final project completion report.

Project 4: Funding of Magnetic Resonance Imaging (MRI):

Subsequent to the year-end, on March 5, 2018, 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, Peshawar, Pakistan. Total cost of this equipment is estimated to be \$2,491,269 of which CERF is committed to fund \$1,619,325 towards this project (\$539,775 of the commitment was paid out in August 2018).

CANCER EDUCATION RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

6. Contractual obligations

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

2018	\$ 1,131,563
2019	1,131,563
2020	541,515
2021	1,740
2022	870
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	\$ 2,807,251
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