

Bermuda End-To-End

Financial Statements
July 31, 2017



August 9, 2018

Independent Auditor's Report

To the Executive Members of Bermuda End-To-End

We have audited the accompanying financial statements of Bermuda End-to-End, which comprise the statement of financial position as at July 31, 2017 and the statements of operations and changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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 Accounting Standards for Not-For-Profit Organizations in Bermuda and Canada 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 auditing standards generally accepted in Bermuda and Canada. 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 entity'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 entity'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 qualified audit opinion.



Basis for qualified opinion

In common with many not-for-profit organizations, Bermuda End-to-End derives revenues from cash pledges and other donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Bermuda End-to-End. Therefore, we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses and cash flows from operations for the years ended July 31, 2017 and 2016, current assets as at July 31, 2017 and 2016 and net assets as at the beginning and the end of the years ended July 31, 2017 and 2016. Our audit opinion on the financial statements for the year ended July 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Bermuda End-to-End as at July 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-For-Profit Organizations in Bermuda and Canada.

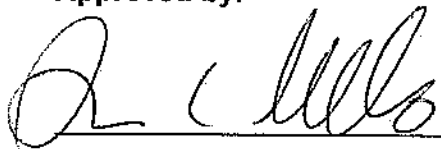
PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Bermuda End-To-End
Statement of Financial Position
As at July 31, 2017

	2017 \$	2016 \$
Assets		
Current assets		
Cash	55,682	120,534
Cash pledges receivable	-	347
Prepaid expenses	1,520	5,000
Total assets	57,202	125,881
Liabilities		
Accounts payable and accrued expenses	12,796	7,378
Net assets		
Unrestricted net assets	44,406	118,503
Total net assets and liabilities	57,202	125,881

Approved by:

 Executive Member Bianca B. Mandell. Executive Member

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

Bermuda End-To-End

Statement of Operations and Changes in Net Assets For the year ended July 31, 2017

	2017 \$	2016 \$
Revenues		
Donations - unrestricted:		
Cash pledges	157,798	203,404
Sponsorship and corporate donors	203,000	222,242
XL Catlin Marine Grant (note 8)	24,300	-
Donations-in-kind (note 3)	13,000	13,000
Bank interest	-	1
Total revenues	<u>398,098</u>	<u>438,647</u>
Expenses		
Donations made	250,000	232,850
XL Catlin Marine Grant donations made (note 8)	24,300	-
Operating expenses	184,895	175,473
In-kind expenses (note 3)	13,000	13,000
Total operating expenses	<u>472,195</u>	<u>421,323</u>
Excess of (expenses over revenue)/revenue over expenses	(74,097)	17,324
Net assets - Beginning of year	<u>118,503</u>	<u>101,179</u>
Net assets - End of year	<u>44,406</u>	<u>118,503</u>

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

Bermuda End-To-End

Statement of Cash Flows

For the year ended July 31, 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Excess of (expenses over revenues)/revenues over expenses	(74,097)	17,324
Adjustments for:		
Cash pledges receivable	347	3,353
Prepaid expenses	3,480	-
Accounts payable and accrued expenses	5,418	(102,272)
(Decrease) increase in cash and cash equivalents	(64,852)	(81,595)
Cash and cash equivalents – Beginning of year	120,534	202,129
Cash and cash equivalents – End of year	55,682	120,534

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

Bermuda End-To-End

Notes to Financial Statements

July 31, 2017

1. Purpose of the organization

Bermuda End-To-End ("the Organization") is a charitable trust and exists to raise funds for registered charities in Bermuda through an annual non-competitive event in which individuals use various methods to travel from one end of the Island of Bermuda to the other. The participants obtain individual and company pledges. The Bermuda End-to-End organization is a registered charity under the Charities Act 1978.

2. Significant accounting policies

These financial statements have been prepared in accordance with Accounting Standards for Not-For-Profit Organizations in Bermuda and Canada ("ASNPO"). The preparation of financial statements in accordance with ASNPO requires management to make certain estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements. Estimates also affect the reported amounts of income and expenses for the reporting period. Actual results could differ from those estimates.

The following is a summary of the significant accounting policies adopted by the Organization:

(a) **Cash**

Cash includes cash on hand and cash in the bank.

(b) **Revenue recognition**

Bermuda End-to-End follows the deferral method of accounting for contributions. Restricted contributions are deferred and then recognised 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.

Pledged donations are not recognized until collected. Restricted pledges are recognized as revenue in the year in which the related expenses are incurred while unrestricted pledges are recognized as revenue in the year received.

(c) **Donated services and materials**

The success of the Organization depends in large part on the continued donation of time and various services by the executive members and other individuals. No valuation of these activities is reflected in the financial statements since the amounts would not be susceptible to objective measurement or reasonable estimation with the exception of audit services amounting to \$13,000 (2016 - \$13,000) which have been provided to the Organization and are included in donations and fundraising.

(d) **Financial instruments**

The Organization's financial instruments consist of cash, receivables and accounts payable and accrued expenses. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant market, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

(e) **Use of estimates**

The preparation of financial statements in accordance with generally accepted accounting principles in Bermuda and Canada requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ significantly from those estimates.

Bermuda End-To-End

Notes to Financial Statements

July 31, 2017

3. *Donations-in-Kind*

The Organization received audit fees amounting to \$13,000 (2016 - \$13,000) as donations in-kind and has recognised the matching expense on the statement of operations and changes in net assets.

4. *Related party transactions*

During the year, the Organization purchased t-shirts and other promotional items from a related company by virtue of common directorship. Total goods purchased were \$53,474 (2016 - \$54,063) and were recognized at their nominal value and included in operating expenses. For the year ended July 31, 2017, the amount due to related parties was \$Nil (2016 - \$Nil).

5. *Capital management*

The Organization defines capital, for its own purposes, as the unrestricted cumulative net excess of revenue over expenditure as represented by its unrestricted net assets. During 2017, the Organization's objective when managing capital, which was unchanged from 2016, was to hold sufficient excess capital to enable it to withstand negative unexpected financial events and continue as a going concern. The Organization seeks to achieve this objective by minimizing its exposure to financial leverage and by holding cash to maintain sufficient liquidity to enable it to meet its obligations as they become due. As at July 31, 2017, the Organization's unrestricted net assets amounted to \$44,406 (2016 - \$118,503). The Organization is not subject to any externally imposed requirements on capital.

6. *Financial instruments*

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations as at July 31, 2017.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities but management considers the risk as minimal. The Organization's sponsorship and corporate donations exceed its operating expenses and the amount and timing of donations made are subject to the discretion of the executive members.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its cash balances with the bank. The Organization mitigates credit risk by dealing with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Interest rate and currency risk

The Organization is not exposed to significant interest rate or foreign currency risk.

7. *Economic dependence*

For the year ended July 31, 2017, the Organization received \$174,300 (2016 - \$150,000) in donations from XL Catlin which was greater than 10% of total revenues. Of the donations received, \$24,300 (2016 - \$Nil) related to the XL Catlin Marine Grant.

Bermuda End-To-End

Notes to Financial Statements

July 31, 2017

8. *XL Catlin Marine Grant*

The XL Catlin Marine Grant was launched in 2014 by the Bermuda End-to-End and its title sponsor, Catlin Insurance Company Limited, to award significant funding to projects directly linked to the Bermuda marine environment. The Catlin Grant totaled a maximum of \$100,000, and was to be paid out over three years, beginning in 2014. The Catlin Marine Grant donations amounted to \$43,640 in 2014, \$24,300 in 2015 and nil in 2016. A final payment of \$24,300 was made in November 2016, thereby bringing the final cumulative amount granted to \$92,240, with no further payments due to be made.

Registered charities in Bermuda were invited to submit proposals for the specific projects they wished to have funded. Projects could be educational in nature, or be directly involved in researching or preserving or some aspect of the marine environment in Bermuda.

9. *Registered charity*

In order to maintain its status as a registered charity, the Organization has a legal obligation to submit an annual income and expenditure statement to the charities Registrar within six months of the year end. The Organization is not in default of this regulation.

Schedule (unaudited)

Bermuda End-To-End
 Schedule of Donations Made
 For the year ended July 31, 2017

	2017	2016
	\$	\$
Donations made		
Age Concern	50,000	-
Adult Education	50,000	-
Bermuda Society for the Blind	5,000	-
Bermuda Underwater Exploration	5,000	-
Duke of Edinburgh Award	5,000	-
Coalition for the Protection of Children	-	50,000
The Family Centre	-	50,000
Greenrock	50,000	-
P.A.L.S.	-	50,000
PRIDE	-	50,000
YouthNet	30,000	-
Open Airways	-	28,000
Raleigh International	50,000	-
Warwick Academy	3,000	3,000
St. John's Ambulance	1,500	1,500
Project Action	500	350
	250,000	232,850

	2017	2016
	\$	\$
XL Catlin Marine Grant donations made		
Bermuda Zoological Society	24,300	-
	24,300	-