

Bermuda Cancer and Health Centre
Annual Report 2010





In March 2010, in partnership with the Canadian Cancer Society, Bermuda Cancer and Health Centre launched a free Cancer Information Service (CIS) for our local community.

This service is provided by trained and knowledgeable Cancer Information Specialists who have access to an extensive database, which includes information on services and support available to patients and their families in Bermuda.

CIS can be easily accessed by dialing a local number - 232-2247, on weekdays from 10am - 6pm. All calls are confidential and there is no limit to the number of times a person may access this service.

Callers may take the time that they need to have questions answered and can receive up to date information on: all types of cancer; cancer treatments and side effects; clinical trials; coping with cancer; emotional support therapies; prevention; help in the community; complementary therapies; and more.

Bermuda Cancer and Health Centre is committed to supporting those in Bermuda who are affected by cancer.

Our mission is:

- To educate our community about prevention and early detection of cancer and other health issues impacting Bermuda.
- To promote a healthy and productive lifestyle.
- To provide access to early detection screening, health supplies, information and educational services.
- To enable and empower our community, and so positively impact on the incidence of cancer and the promotion of wellness in Bermuda.



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Glen Gibbons, Chairman



Tara Soares, Executive Director

Message from our Board

On behalf of The Board of Directors, I am pleased to present this annual report for Bermuda Cancer and Health Centre, together with the audited summary financial statements for the fiscal year ended 31 August 2010. This report contains highlights of the Centre's activities over the past year.

We had a very successful year, both in fundraising and service development, and were able to commit over \$453,071 of new charitable expenditure to strengthen and extend Bermuda Cancer and Health Centre's services for people affected by cancer.

One goal we achieved this past year was to launch the Cancer Information Service (CIS), in partnership with the Canadian Cancer Society. CIS offers support to cancer patients, their families, and healthcare providers seeking current cancer information and assistance finding local support services. This free service can be accessed by simply calling 232-2247 where the caller

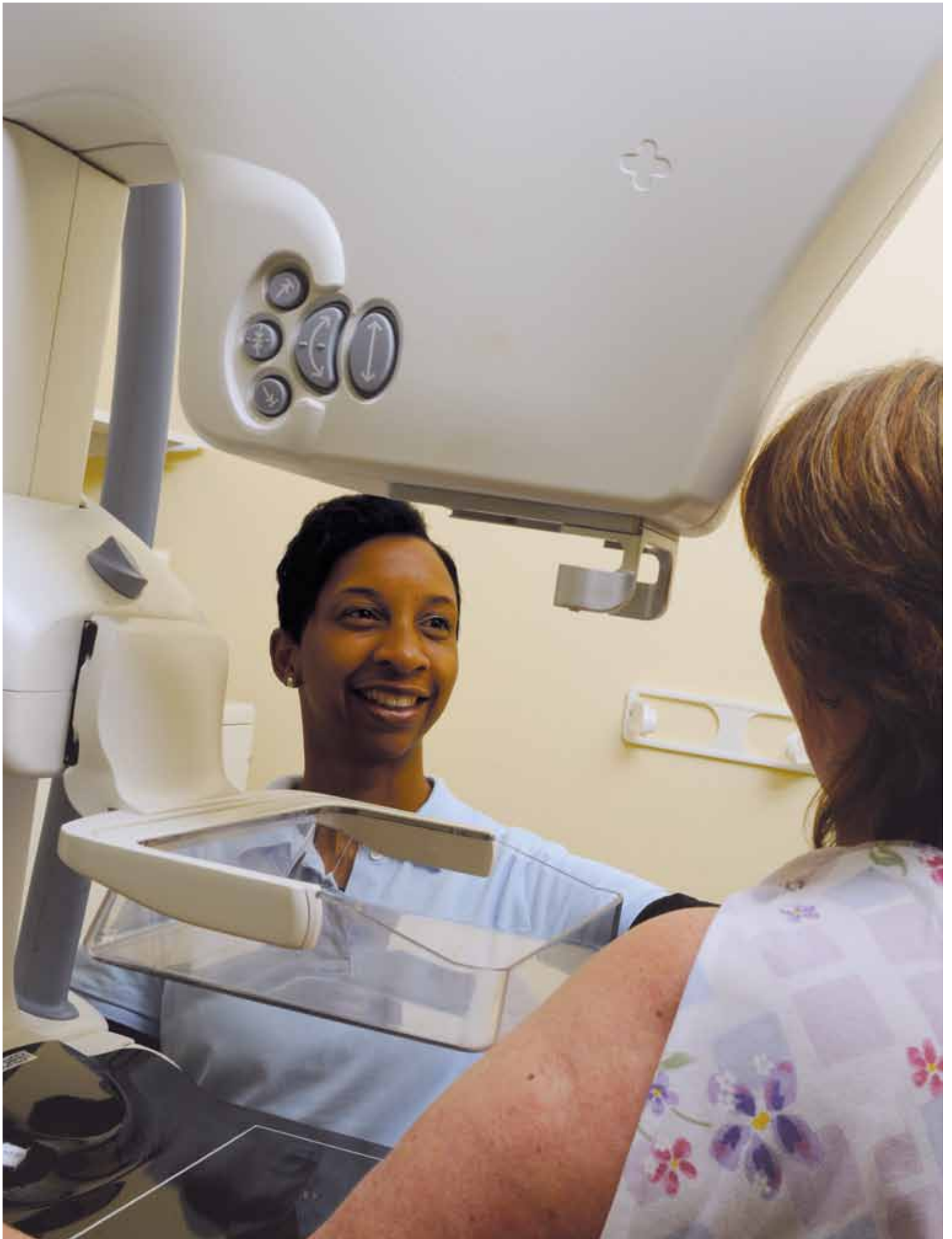
will be connected with a trained and knowledgeable Cancer Information Specialist. The generous support of the Rally for a Cure Golf Tournament raised the final \$35,000 needed to achieve the fundraising goal for this service.

Our current goal is to raise \$750,000 (over two years) to upgrade diagnostic equipment and patient support services which will increase early detection and thereby decrease the time between screening and diagnosis. The Green family launched this campaign by donating \$50,000 towards the purchase of a new ultrasound machine.

Together we can make a difference and at Bermuda Cancer and Health Centre we look forward to supporting you in the year to come.

Supporting our team this fiscal year were the following volunteer members of the Board:

Glen Gibbons – President
Judy Panchoud White – Vice President
Tara Soares – Executive Director/
Acting Secretary
Andrew Wright – Treasurer
Gary Carr
Larry Dennis
Jeanne Edridge
Jennifer Haworth
Dr. Brent Williams





Message from the Team

At Bermuda Cancer and Health Centre, we are dedicated to the early detection of cancer, the support of cancer patients and committed to educating the community on the importance of a healthy mind, body and spirit. We strive to encourage each member of our community to become aware and knowledgeable so that they are able to lead a lifestyle that reduces their risk for disease.

With our underlying goal to support our community, we set about making improvements to our services and programmes. We have also sought partnerships locally and internationally to assist us in providing a better service to our community.

At Bermuda Cancer and Health Centre we are committed to our mission

of early detection, prevention and support. We strongly believe that by providing the highest standard of clinical services in conjunction with health education programmes we can support our community to lead a healthy and productive lifestyle.

We are committed to providing exemplary diagnostic and screening services.

Now in our third year of providing digital mammography, our patients can rest assured they are receiving the highest quality breast cancer screening available.

Clinical Services

Bermuda Cancer and Health Centre provides exemplary mammography screening and diagnostic services, bone density screening, as well as ultrasound services.

Our commitment to deliver quality care begins with our dedicated and highly trained staff. Our clinical team is continually engaged in ongoing training and development so that we may bring the most current information and technological improvements to our patients.

As the leading digital mammography facility in Bermuda, our purpose built centre has enabled us to provide a relaxed and welcoming environment for the community. With the addition of two state-of-the-art digital mammography units in April 2008, we can provide the most effective means of early detection for breast cancer. In September 2008, our digital mammography service was fully accredited by the Canadian Association of Radiologists.

Annual screening mammograms are recommended for women age 40 or older. A physician's referral is not required for an annual screening mammogram and our policy is to ensure this service is available to all members of our community regardless of an individual's ability to pay.

Bone Densitometry screening exams for the early detection of osteoporosis have been available at our Centre since May 2000. In April 2009, the Centre purchased a new bone densitometry unit allowing us to utilise the latest technology available. Screening recommendations are for women to have a baseline test at the onset of menopause and for men as clinically directed. Follow-up screening is determined by the results.

Our Centre has also been providing ultrasound studies for a broad range of examinations including obstetrical, gynecological, abdominal and soft tissue. All ultrasounds performed at the Centre must be referred by a physician.

We have made improvements to our check-in process that have been welcomed by our patients. We now offer more privacy and a warmer and more inviting environment. Extended hours, select Saturday service and the introduction of reporting standards have enabled our Technologists and Patient Service Staff to provide an improved patient experience.

Our new Cancer Information Service provides access to specialists who can answer any cancer related question.

In March 2010, Bermuda Cancer and Health Centre launched the Cancer Information Service. We operate this free and confidential telephone and email service in partnership with the Canadian Cancer Society.

Education and Awareness Programmes

In March 2010, Bermuda Cancer and Health Centre launched the Cancer Information Service (CIS). It is a free and confidential telephone and email service that is operated in partnership with the Canadian Cancer Society. CIS connects people in Bermuda with trained and knowledgeable Cancer Information Specialists who are prepared to answer any cancer related questions.

To improve access for patients and members of our community we relocated our Resource and Lending library to the ground floor of our Point Finger Road facility. We have also expanded our library selection this year by adding over 300 new books and DVDs. This was made possible by donations from the Friends of Mel Foundation.

We continue to offer many educational programmes which provide the community with awareness and knowledge to help prevent cancer.

An Anti-Smoking Pilot programme was launched in three local primary schools. The goal of the program is to educate school children of the dangers of smoking and the risk of becoming addicted to tobacco. Due to the positive

feedback received, we are scheduled to offer the programme to all Middle schools on the island beginning in the Fall 2010.

The goal of our highly successful SunSmart programme is to increase the awareness of Bermuda's youth about the importance of practicing SunSmart behaviours while outdoors, and to teach children and their families how they can protect their skin. Through the generous sponsorship of Allied World Assurance Company Ltd. and The Argus Group, over 4,200 children in local Preschools and Primary schools were provided with the SunSmart message. In 2011, the SunSmart programme will also be offered in Middle and Senior Schools.

We offer free Health Presentations to public, corporate and civic groups throughout the year. Our Education Officer visited 33 business and community groups.

Five of the Community Health Presentations offered had international keynote speakers. There were a further six presentations offered by our Education Officer on a variety of health topics.



After a successful year of fund raising for our Cancer Information Service, we have established a new goal to raise \$750,000 over the next two years.

Events

Thanks to the generosity of numerous supporters, together with the efforts of our fundraising team, the Centre's multiple events and activities this year generated over \$521,640. All funds raised enabled us to achieve our goal of raising \$350,000 to launch our Cancer Information Service.

Following are details of some of the fundraising events held throughout the year that helped us realise our goal.

Our 6th Annual Charity Golf Classic, generously sponsored by Schrodgers, was held in September 2009. Nineteen corporate teams participated, with teams Newstead Belmont Hills and Butterfield Bank being the overall winners. The event, combined with our annual Golf Raffle, collectively raised \$114,335.

During Breast Cancer Awareness Month in October, our community came together and supported over seventeen

events throughout the month raising a significant \$290,306.

Our Annual Breast Cancer Fun Walk sponsored by BF&M saw more than 1,500 people walk in support of breast cancer survivors and in remembrance of those who have been lost to the disease.

We were able to raise over \$16,500 during our Annual Tag Days in June, with the support of more than 300 volunteers in 35 different locations over two days.

Our community's use of our traditional Christmas Seals, which continue to help bring holiday joy to many, raised \$7,587.

After a successful year of fundraising, for our Cancer Information Service, we have established a new goal to raise \$750,000 over the next two years. All funds raised will be used to upgrade our diagnostic equipment and patient support services.

Volunteers are one of our most valuable resources and we truly appreciate them.

We would like to say “Thank You” to the 350 individuals who chose to support our charity by volunteering with us last year.

Volunteers

We deeply appreciate the many volunteers who assist us year-round. Volunteers are one of our most valuable resources and this past year was no exception. Our volunteers have provided us with considerable talent and time, which has helped us achieve our goals.

We realise that many who volunteer for our organisation, participate in our events and donate or help us to raise funds have personally been impacted by cancer. We are continually inspired by them.

We were fortunate to welcome several new volunteers this year and we look forward to the many lasting memories we will create together.

We also said good-bye to a few volunteers who had been with the Centre for many years. Their time and experience was greatly appreciated and we wish them all the best.

BERMUDA CANCER AND HEALTH CENTRE

Financial Statements
(With Independent Auditors' Report Thereon)

August 31, 2010



KPMG

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AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of the Bermuda Cancer and Health Centre (the "Centre") as at August 31, 2010 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. 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 auditing standards generally accepted in Bermuda and Canada. 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 charitable organizations, the Centre derives a portion of its revenues from the general public in the form of donations and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donations and deferred contributions was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations, deferred contributions, amortization of deferred contributions, deficit of revenues over expenditures, and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and deferred contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at August 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.

Chartered Accountants
Hamilton, Bermuda
February 7, 2011

BERMUDA CANCER AND HEALTH CENTRE

Statement of Financial Position

August 31, 2010

(Expressed in Bermuda Dollars)

	2010	2009
Assets		
Current assets		
Cash and cash equivalents	\$ 1,749,897	\$ 1,648,571
Accounts receivable	890,736	1,262,948
Prepaid expenses	121,281	58,822
Inventories	23,520	17,935
Total current assets	2,785,434	2,988,276
Marketable securities (Note 3)	138,551	148,881
Capital assets (Note 4)	5,228,103	5,353,028
Total assets	\$ 8,152,088	\$ 8,490,185
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 228,161	\$ 207,405
Total current liabilities	228,161	207,405
Deferred contributions (Note 5)	4,275,612	4,269,614
Total liabilities	4,503,773	4,477,019
Net assets		
Unrestricted net assets	3,215,154	3,580,005
Restricted net assets – scholarship fund (Note 6)	433,161	433,161
Total net assets	3,648,315	4,013,166
Total liabilities and net assets	\$ 8,152,088	\$ 8,490,185

See accompanying notes to financial statements

On behalf of the Board of Directors:

_____ Director _____ Director

BERMUDA CANCER AND HEALTH CENTRE

Statement of Revenues and Expenditures

Year ended August 31, 2010

(Expressed in Bermuda Dollars)

	2010	2009
Revenues		
Mammography services (Note 7)	\$ 1,747,305	\$ 1,832,323
Densitometry services (Note 7)	919,268	861,660
Amortisation of deferred contributions (Note 5)	504,893	416,260
Ultra sound services (Note 7)	337,211	447,057
Donations	163,525	258,223
Prescription sales	62,717	55,383
Rent and other income	17,943	18,929
Interest income	13,680	12,845
Dividends from investments	6,259	12,229
Earned revenues	<u>3,772,801</u>	<u>3,914,909</u>
Unbilled revenues (Note 7)	-	(70,255)
Total revenues	<u>3,772,801</u>	<u>3,844,654</u>
Expenditures		
General and administrative (Note 8)	3,509,949	3,021,798
Mammography services	201,770	109,563
Fundraising and education	146,543	120,655
Donation to indigents (Note 9)	105,953	6,528
Prescription purchases	63,356	60,548
Impairment loss on capital assets (Note 4)	53,325	-
Impairment loss on marketable securities (Note 3)	18,550	21,735
Ultrasound services	18,337	22,360
Densitometry services	13,314	20,761
Loss on disposal of capital assets	-	3,008
Total expenditures	<u>4,131,097</u>	<u>3,386,956</u>
(Deficit) surplus of revenues over expenditures	<u>\$ (358,296)</u>	<u>\$ 457,698</u>

See accompanying notes to financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Changes in Net Assets

Year ended August 31, 2010

(Expressed in Bermuda Dollars)

	2010			2009	
	Restricted scholarship fund (Note 6)	Unrestricted	Total	Total	
Net assets, beginning of year	\$ 433,161	\$ 3,580,005	\$ 4,013,166	\$	3,668,136
(Deficit) surplus of revenues over expenditures	–	(358,296)	(358,296)		457,698
Change in fair value of marketable securities	–	(6,555)	(6,555)		(112,668)
Net assets, end of year	\$ 433,161	\$ 3,215,154	\$ 3,648,315	\$	4,013,166

See accompanying notes to financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Cash Flows

Year ended August 31, 2010

(Expressed in Bermuda Dollars)

	2010	2009
Operating activities		
(Deficit) surplus of revenues over expenditures	\$ (358,296)	\$ 457,698
Adjustments for:		
Amortisation of capital assets	436,615	433,952
Amortisation of deferred contributions	(504,893)	(416,260)
Impairment loss on marketable securities	18,550	21,735
Loss on disposal of capital assets	-	3,008
Impairment loss on capital assets	53,325	-
Changes in non-cash working capital:		
Accounts receivable	372,212	(232,804)
Prepaid expenses	(62,459)	(27,026)
Inventories	(5,585)	(5,676)
Accounts payable and accrued liabilities	20,756	159,328
	<u>(29,775)</u>	<u>393,955</u>
Investing activities		
Purchase of marketable securities	(14,775)	-
Purchase of capital assets	(365,015)	(125,550)
Cash used in investing activities	<u>(379,790)</u>	<u>(125,550)</u>
Financing activities		
Net cash contributions received for capital campaigns (Note 5)	<u>510,891</u>	<u>410,051</u>
Cash provided by financing activities	<u>510,891</u>	<u>410,051</u>
Net increase in cash and cash equivalents	101,326	678,456
Cash and cash equivalents at beginning of year	<u>1,648,571</u>	<u>970,115</u>
Cash and cash equivalents at end of year	<u>\$ 1,749,897</u>	<u>\$ 1,648,571</u>

See accompanying notes to financial statements

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

August 31, 2010

1. General

The Bermuda Cancer and Health Centre (the "Centre") is a registered charity formed on July 17, 1945 for the purpose of assisting tuberculosis, cancer and diabetic patients in Bermuda. On July 2, 2007, the Centre converted from an unincorporated Association to a company limited by guarantee and changed its name from Bermuda Tuberculosis, Cancer and Health Association to Bermuda Cancer & Health Resource Centre. On August 31, 2007, the Centre changed its name to Bermuda Cancer and Health Centre.

2. Significant accounting policies

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Bermuda and Canada which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Significant areas requiring the use of judgments include estimating the allowance for doubtful accounts receivable, the useful life and amortisation rates for capital assets and the impairment of marketable securities. Actual results could differ from those estimates. The following are the significant accounting policies adopted by the Centre:

(a) Revenue recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions that relate to expenses of future periods are deferred and recognised as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognised as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from services are recognised when the service is provided to the client and the collectability of the related receivable from the client's insurance provider is reasonably assured.

All other income, except for contributions, is recognised on the accrual basis when earned.

(b) Cash and cash equivalents

The Centre considers all cash on hand, deposits with financial institutions that can be withdrawn without notice or penalty, and short-term deposits with an original maturity of ninety days or less as equivalent to cash. Interest earned on cash and cash equivalents is at rates ranging between 0% to 1.65% (2009 - 0% to 3%) per annum.

(c) Inventories

Inventories are carried at the lower of cost and net realisable value, and are valued on a first-in, first-out basis. Included in prescription purchases are recognised inventory expenses of \$63,356 (2009 - \$60,548). There were no inventories written off during the year (2009 - \$nil) and no provision for obsolete or slow-moving inventories at the reporting date (2009 - \$nil).

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

August 31, 2010

2. Significant accounting policies (continued)*(d) Capital assets*

Capital assets are recorded at cost less accumulated amortisation. Land is not amortised. Website development cost was not amortised for the year ended August 31, 2010 as the website was brought into use in September 2010. Amortisation of buildings, equipment and other assets is provided over the estimated useful lives of the assets on a straight line basis as follows:

Buildings	20 years
Medical equipment	5-10 years
Vehicle	5 years
Furniture and fixtures	5 years
Office equipment	3 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognised by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(e) Donated services

Volunteer efforts and non-cash donations are reflected in the financial statements only when a fair value can be reasonably estimated.

(f) Financial instruments

The Centre has classified its marketable securities as available-for-sale, cash and cash equivalents as held for trading, and accounts receivable and other receivables as loans and receivables. All current and trade accounts payable are classified as other financial liabilities and are recorded at amortised cost.

Available-for-sale investments are valued at fair value as at the reporting date based on the last reported sales price as reported on the primary securities exchange on which they are traded. Changes in fair value are included as a separate component of net assets until they are realised.

Transaction costs that are directly attributable to the acquisition of marketable securities are expensed when paid. Marketable securities purchases and sales transactions are accounted for on the settlement date.

Loans and receivables are recorded at amortised cost, adjusted for any impairment.

(g) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. All impairment losses are recognised in the statement of revenues and expenditures. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in unrestricted net assets is transferred to the statement of revenues and expenditures.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

August 31, 2010

2. Significant accounting policies (continued)

(h) Revisions to Not-for-Profit accounting standards

In September 2008, the Canadian Institute of Chartered Accountants issued amendments to Handbook Sections 4400, Financial Statement Presentation by Not-for-Profit Organisations, and 4470, Disclosure of Allocated Expenses by Not-for-Profit Organisations. The amendments are effective for the Centre's current fiscal year commencing August 1, 2009 and remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and depreciation, require disclosure of allocated fundraising and general support expenses by not-for-profit organisations, and include the requirement to follow Handbook Section 1540, Cash Flow Statements. The Centre has amended the financial statements to include the amounts previously shown as invested in capital assets in the unrestricted fund balance in the face of the statement of financial position and statement of changes in net assets.

(i) Future accounting changes

The Centre is currently classified as a not-for-profit organisation. In December 2010, the Canadian Accounting Standards Board ("AcSB") and Canadian Public Sector Accounting Board ("PSAB") issued Part III of the Canadian Institute of Chartered Accountants Handbook - Accounting dealing with the future of financial reporting by not-for-profit organisations. These new accounting standards will become effective for the Centre's fiscal year ending August 31, 2013 although early adoption is permissible. The Centre is in the process of reviewing the impact of these new standards on its future reporting framework and financial statements.

3. Marketable securities

Marketable securities consist of:

Number of shares	Securities held	2010		2009	
		Cost	Fair value	Cost	Fair value
21,871	Bank of N.T. Butterfield Ltd.	\$ 38,871	\$ 32,807	\$ 24,096	\$ 46,851
4,000	Bermuda Commercial Bank Ltd.	21,575	38,200	21,575	22,000
3,309	Ascendant Group Ltd.	70,712	45,002	70,712	51,455
3,175	Keytech Limited	49,213	22,542	49,213	28,575
		\$ 180,371	\$ 138,551	\$ 165,596	\$ 148,881

Impairment losses amounting to \$18,550 (2009 - \$21,735) were recognised during the year on shares held with the Bank of N.T. Butterfield Ltd., Ascendant Group Ltd. and Keytech Limited.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

August 31, 2010

4. Capital assets

Capital assets consist of:

	2010		2009	
	Cost	Accumulated amortisation	Net book value	Net book value
Land	\$ 987,428	\$ –	\$ 987,428	\$ 987,428
Building	3,709,986	1,216,046	2,493,940	2,649,875
Medical equipment	2,076,117	467,755	1,608,362	1,671,667
Vehicle	13,293	13,293	–	–
Office equipment and furniture	553,386	437,303	116,083	44,058
Website development	22,290	–	22,290	–
	<u>\$ 7,362,500</u>	<u>\$ 2,134,397</u>	<u>\$ 5,228,103</u>	<u>\$ 5,353,028</u>

The cost and accumulated amortisation of capital assets at August 31, 2009 were \$7,124,839 and \$1,771,811, respectively.

During the year ended August 31, 2010 the Centre recognised an impairment loss of \$53,325 in respect of medical equipment no longer in service.

5. Deferred contributions

Deferred contributions represent unspent restricted contributions for capital assets. Changes in the deferred contributions balance are as follows:

	2010	2009
Balance, beginning of year	\$ 4,269,614	\$ 4,275,823
Amount received during the current year	510,891	410,051
Amounts amortised to revenue in the year	(504,893)	(416,260)
Balance, end of year	<u>\$ 4,275,612</u>	<u>\$ 4,269,614</u>

In 2000, the Centre launched a building campaign to raise \$4 million for a new Cancer Resource Centre. The deferred contributions balance comprises amounts contributed during the current year and prior years, which is externally restricted for the building of, and new equipment for, the Centre.

6. Scholarship fund

Scholarship fund deferred contributions represent unspent resources internally restricted for the scholarship fund. There were no changes in the scholarship fund balance during the year.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

August 31, 2010

7. Unbilled revenues

The Centre's revenues from diagnostic services are based on the Ingenix Customised Fee Analyser report which is prepared annually for the Health Insurance Association of Bermuda ("HIAB").

In June 2008, the Centre initiated a review of the standard Current Procedural Terminology ("CPT") codes and the charge rates for each code as set in the 2006 Ingenix Customised Fee Analyser. The result of the review showed an understatement of revenues billed totaling \$70,255 for the year ended August 31, 2009 due to charge rates used that were not updated to reflect the current annual rates as well as the mismatch of the CPT codes applied to certain procedures. The cumulative unbilled amount as at August 31, 2010 relating to 2009 and earlier periods is \$2,671,176. This unbilled revenue can no longer be recovered from insurance companies because it has exceeded the maximum one year claim period. Unbilled revenues for the year of \$nil (2009 - \$70,255) are reported as a deduction from earned revenues in the statement of revenues and expenditures.

8. General and administrative expenditures

	2010	2009
Salaries	\$ 2,300,251	\$ 2,174,294
Amortisation of capital assets	436,615	433,952
Bad debts written off	290,360	681
Professional fees	178,810	105,808
Building operation and maintenance	95,750	93,033
Insurance	62,881	59,265
Telephone and postage	50,119	64,351
Office equipment maintenance	26,583	12,549
Office supplies	25,752	39,301
Miscellaneous	22,601	28,223
Electricity and water	18,016	6,131
Bank charges	2,211	4,210
	\$ 3,509,949	\$ 3,021,798

9. Donation to indigents

Included in the donation to indigents in the statement of revenue and expenditures for the year ended August 31, 2010 is an amount of \$105,953 related to services donated by the Centre for uninsured patients and for services not covered by other agencies (2009 - \$6,528).

10. Employee future benefits

The Centre has a defined contribution pension plan providing pension benefits to all of its employees. Employee pension contributions of 5% are matched by the Centre. Pension expense incurred by the Centre in the current year was \$75,412 (2009 - \$72,030) and is included in general and administrative expenditures under salaries (Note 8). The pension liability as at August 31, 2010 amounted to \$14,992 (2009 - \$11,688) and is included in accounts payable and accrued liabilities in the statement of financial position.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

August 31, 2010

11. Financial instruments

The estimated fair value of financial instruments, including cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying value due to their relative short-term nature. The estimated fair value of marketable securities based on year-end quoted market bid prices is disclosed in Note 3.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Centre would realise in a current market exchange. Certain items such as inventories, deferred contributions and capital assets are excluded from the fair value disclosure. Thus the individual fair value amounts cannot be aggregated to determine the underlying fair value of the Centre.

The Centre is not exposed to any significant interest rate risk, credit risk or liquidity risk. The Centre is exposed to market risk with respect to its marketable securities which comprise investments in Bermuda listed companies quoted on the Bermuda Stock Exchange.

The Centre deposits cash surpluses with a Bermuda-based financial institution which has a credit rating of AA-. Management believes that the Centre is not exposed to any significant concentration of credit risk. The Centre monitors its accounts receivable balances and believes that its provision for doubtful debts is sufficient to reflect the related credit risk.

12. Related party transactions

During the normal course of its operations, the Centre purchased employee health benefits and property contents insurance for \$91,534 (2009 - \$141,202) and \$35,073 (2009 - \$30,722) respectively, from BF&M Ltd. where a Board member of the Centre is the Vice President. In addition, the Centre has a defined contribution pension plan (Note 10) administered by BF&M Ltd.

13. Capital management

The Centre defines capital, for its own purposes, as restricted and unrestricted fund balances. During the year the Centre's objective when managing capital, which was unchanged from previous years, was to hold sufficient unrestricted funds to enable it to withstand negative unexpected financial events and continue as a going concern. The Centre seeks to achieve this objective by holding sufficient cash and cash equivalents to maintain liquidity and enable it to meet its obligations as they become due. The Centre is not subject to any externally imposed requirements on capital.

Donors

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