

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Financial Statements**

(With Independent Auditor's Report Thereon)

For the year ended December 31, 2025

*The accompanying report of Deloitte Ltd. is for the sole and exclusive use of Bermuda Cancer and Health Centre (the "Centre"). No person, other than the Centre, is authorized to rely upon the report of Deloitte Ltd. unless Deloitte Ltd. expressly so authorizes. Furthermore, the report of Deloitte Ltd. is as of April 30, 2026, and Deloitte Ltd. has carried out no procedures of any nature subsequent to that date which in any way extends that date.*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Bermuda Cancer and Health Centre

### Qualified Opinion

We have audited the financial statements of Bermuda Cancer and Health Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2025, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from 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 the Centre and we were not able to determine whether any adjustments might be necessary to recorded revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2025, assets as at December 31, 2025, and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with generally accepted auditing standards in Bermuda and Canada. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT (Cont'd)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Bermuda and Canada will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with generally accepted auditing standards in Bermuda and Canada, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Deloitte Ltd.**

April 30, 2026

**BERMUDA CANCER AND HEALTH CENTRE**

**Statement of Financial Position**

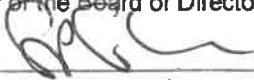
As at December 31, 2025

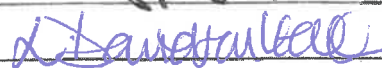
(Expressed in Bermuda Dollars)

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 2(c))	\$ 5,175,499	\$ 8,432,802
Internally restricted cash and cash equivalents (Note 2(c))	1,820,076	-
Internally restricted term deposits (Note 4)	2,279,925	5,120,519
Term deposits, current (Note 4)	2,666,108	1,000,000
Accounts receivable (Note 11)	1,321,057	1,254,679
Prepaid expenses	496,296	417,878
Inventories	13,407	12,882
<b>Total current assets</b>	<u>13,772,368</u>	<u>16,238,760</u>
Investments (Note 3)	111,264	81,130
Term deposits (Note 4)	-	808,161
Internally restricted term deposits (Note 4)	-	979,481
Capital assets (Note 5)	9,377,664	6,899,164
<b>Total assets</b>	<u>\$ 23,261,296</u>	<u>\$ 25,006,696</u>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 10 and 14)	\$ 1,424,433	\$ 2,814,603
<b>Total current liabilities</b>	<u>1,424,433</u>	<u>2,814,603</u>
Deferred contributions (Note 6)	904,218	1,425,883
<b>Total liabilities</b>	<u>2,328,651</u>	<u>4,240,486</u>
<b>Net assets</b>		
Unrestricted net assets	20,808,767	20,247,144
Restricted net assets (Note 7)	123,878	519,066
<b>Total net assets</b>	<u>20,932,645</u>	<u>20,766,210</u>
<b>Total liabilities and net assets</b>	<u>\$ 23,261,296</u>	<u>\$ 25,006,696</u>

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

On behalf of the Board of Directors:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**BERMUDA CANCER AND HEALTH CENTRE****Statement of Revenues and Expenditures**

For the year ended December 31, 2025

(Expressed in Bermuda Dollars)

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	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
Radiation therapy services	\$ 10,591,510	\$ 9,310,564
Mammography services	3,696,994	3,400,776
Donations for uninsured and underinsured patients	893,749	743,467
Amortization of deferred contributions (Note 6)	629,255	564,814
Ultrasound services	599,863	602,370
Densitometry services	546,428	451,350
Donations	389,897	444,769
Genetics programme	248,422	278,458
Interest income	205,433	269,747
Biopsy service – breast	193,584	132,712
Dividends from investments	4,358	4,080
Apartment rental	360	3,240
Net change in fair value of investments (Note 3)	30,134	18,312
Total revenue	<u>18,029,987</u>	<u>16,224,659</u>
<b>Expenditures</b>		
General and administrative (Note 8)	12,563,303	10,821,488
Radiation therapy expenses	2,171,590	2,158,113
Subsidy for underinsured patients (Note 9)	1,950,721	1,303,817
Fundraising and education expenses	295,170	180,490
Donation to uninsured patients (Note 9)	294,761	498,376
Mammography expenses	233,259	301,864
Genetics programme expenses	103,032	108,679
Biopsy expenses – breast	65,270	59,974
Ultrasound expenses	42,416	40,492
Densitometry expenses	40,060	38,013
Realized loss on disposal of capital assets (Note 5)	103,970	-
Total expenditures	<u>17,863,552</u>	<u>15,511,306</u>
Excess of revenues over expenditures	<u>\$ 166,435</u>	<u>\$ 713,353</u>

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

**BERMUDA CANCER AND HEALTH CENTRE**

**Statement of Changes in Net Assets**

For the year ended December 31, 2025

*(Expressed in Bermuda Dollars)*

	Restricted net assets (Note 7)								
	Capacity Building	Scholarship	Digital Campaign Mammo Machine	Cancer Information Services	Men's Health	Total	Unrestricted net assets	2025 Total	2024 Total
Balance, beginning of year	\$ 2,500	\$ 60,019	\$ 171,718	\$ 262,313	\$ 22,516	\$ 519,066	\$20,247,144	\$20,766,210	\$20,052,857
Reallocations	-	(60,469)	322,782	(262,313)	-	-	-	-	(753)
Net appropriation for Assets	-	-	(394,552)	-	-	(394,552)	-	(394,552)	-
Excess (deficit) of revenues over expenses	-	450	1,829	-	(2,915)	(636)	561,623	560,987	714,106
Balance, end of year	\$ 2,500	\$ -	\$ 101,777	\$ -	\$ 19,601	\$ 123,878	\$20,808,767	\$20,932,645	\$20,766,210

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

## BERMUDA CANCER AND HEALTH CENTRE

### Statement of Cash Flows

For the year ended December 31, 2025

(Expressed in Bermuda Dollars)

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	<u>2025</u>	<u>2024</u>
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 166,435	\$ 713,353
Adjustments for:		
Amortization of capital assets (Note 5 and 8)	1,207,319	1,076,598
Amortization of deferred contributions (Note 6)	(629,255)	(564,814)
Realized loss on sale of capital assets	103,970	-
Net change in fair value of investments	(30,134)	(18,312)
Changes in non-cash working capital balances:		
Accounts receivable	(66,379)	(74,842)
Prepaid expenses	(78,418)	(104,035)
Inventories	(525)	1,439
Accounts payable and accrued liabilities	(1,390,169)	1,761,259
	<u>(717,156)</u>	<u>2,790,646</u>
<b>Investing activities</b>		
Investment in term deposits	(3,878,710)	(5,908,161)
Purchase of capital assets, net (Note 5)	(3,789,789)	(703,443)
Proceeds on sale of investments	-	84,000
Proceeds on maturity of term deposits	6,840,838	4,408,857
	<u>(827,661)</u>	<u>(2,118,747)</u>
<b>Financing activities</b>		
Net cash contributions received for capital campaigns (Note 6)	107,590	167,407
	<u>107,590</u>	<u>167,407</u>
Net (decrease) increase in cash and cash equivalents	(1,437,227)	839,306
Change in internally restricted cash and cash equivalents (Note 2(c))	(1,820,076)	1,300,000
Cash and cash equivalents at beginning of year	8,432,802	6,293,496
Cash and cash equivalents at end of year	<u>\$ 5,175,499</u>	<u>\$ 8,432,802</u>

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

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Notes to the Financial Statements**

December 31, 2025

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#### **1. General**

The Bermuda Cancer and Health Centre (the “Centre”) is a registered charity formed on July 17, 1945, for the original 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, and its current mission is to provide the highest standard of early detection, treatment, support, care and education for cancer and other diseases to all.

#### **2. Significant accounting policies**

These financial statements were prepared in accordance with Accounting Standards for Not-For-Profit Organizations generally accepted in Bermuda and Canada (“ASNFPO”) contained in Part III of the Chartered Professional Accountants of Canada (“CPA Canada”) Handbook – Accounting, and include the following significant accounting policies:

(a) *Use of estimates*

The preparation of these financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. These estimates are reviewed periodically, and adjustments to revenues and expenditures are made as appropriate in the year they become known. Actual results may differ from the estimated amount.

(b) *Revenue recognition*

The Centre follows the deferral method of accounting for contributions. Restricted contributions that relate to expenses of future periods are deferred and, to the extent they have been received or pledged, are recognized as revenue in the period 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.

Revenue from services is recognized 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 recognized on an accrual basis when earned.

(c) *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. The interest rate earned on cash and cash equivalents is 0.01% (2024 – 0.01%) per annum.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2025

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#### 2. Significant accounting policies (cont'd)

(c) *Cash and cash equivalents (cont'd)*

In 2025, the Centre committed to purchasing a CT simulation machine for radiation therapy. \$1,820,076 in proceeds from term deposits that matured in December 2025 were held as internally restricted cash and cash equivalents at year end and transferred to the operating account in January 2026 to finance the payment terms.

(d) *Inventories*

Inventories are carried at the lower of cost and net realizable value, and are valued on a first-in, first-out basis. In 2025 and 2024, no inventories were written off and no provision was recognized for obsolete or slow-moving inventories.

(e) *Capital assets*

Capital assets are recorded at cost less accumulated amortization and impairment losses, if any. Land is not amortized. Capital assets are separated into their significant component parts when practicable and when estimates can be made of the lives of the separate components.

Amortization 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
Building improvements	10 years
Vehicles	5-10 years
Medical equipment	5-15 years
Furniture and fixtures	2-15 years
Website development	3-5 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. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to either fair value or replacement cost on an asset-by-asset basis. If the carrying amount of an asset exceeds either its fair value or replacement cost, an impairment charge is recognized by the excess value over the carrying amount of the asset.

(f) *Donated Services*

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

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2025

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#### 2. Significant accounting policies (cont'd)

##### (g) Financial instruments

Financial assets consist of cash and cash equivalents, internally restricted cash and cash equivalents, term deposits, internally restricted term deposits, investments, accounts receivable and donations receivable. Financial liabilities consist of accounts payable.

Investments quoted in an active market are initially measured at fair value as at the trade date and then remeasured to fair value at the reporting date, with the related net change in fair value included in revenues and expenditures. The fair value of the investments is based on quoted market values. Transaction costs are recognized in revenues and expenditures in the period incurred.

Purchases and sales of investments are accounted for at the transaction date.

All other financial assets are initially measured at cost being the fair value of the consideration paid. Subsequent to initial recognition, other financial assets are measured at amortized cost, less any adjustment for impairment.

Financial liabilities are measured at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenditures. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenditures.

#### 3. Investments

Investments include marketable securities consisting of:

Number of shares	Securities held	2025		2024	
		Cost	Fair value	Cost	Fair value
2,318	Butterfield Bank	\$ 38,871	\$ 111,264	\$ 38,871	\$ 81,130
		<u>\$ 38,871</u>	<u>\$ 111,264</u>	<u>\$ 38,871</u>	<u>\$ 81,130</u>

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2025

#### 4. Term deposits

Term deposits held by the Centre on December 31, 2025, consist of the following:

Bank	2025				2024
	Annual rate	Term	Maturity	Amount	Amount
Clarien Bank Limited	2.75%	1 year	09-Oct 2025	\$ -	\$ 1,058,692
Clarien Bank Limited	2.60%	1 year	09-Oct 2026	1,088,209	-
Clarien Bank Limited	3.00%	3 year	21-Apr 2026	1,000,000	1,000,000
Bermuda Commercial Bank	3.50%	6 months	27-Feb-2025	-	1,332,411
Bermuda Commercial Bank	4.25%	1 year	27-Jun-2025	-	628,503
Bermuda Commercial Bank	3.25%	2 year	25-Aug-2025	-	1,000,000
Bermuda Commercial Bank	3.25%	1 year	11-Dec-2025	-	1,061,660
Bermuda Commercial Bank	2.50%	6 months	09-Mar 2026	1,000,000	-
Bermuda Commercial Bank	3.50%	18 months	10-Jun-2026	462,231	462,231
Bermuda Commercial Bank	3.50%	2 year	22-Jun-2026	325,412	325,412
HSBC	3.047%	1 year	14-Apr 2025	-	858,320
HSBC	2.540%	1 year	14-Apr 2025	-	180,932
HSBC	3.047%	1 year	14-Apr 2026	884,564	-
HSBC	2.540%	1 year	14-Apr 2026	185,617	-
Term deposits, end of period				\$ 4,946,033	\$ 7,908,161

\$2,279,925 (2024 - \$6,100,000) of the total \$4,946,033 (2024 - \$7,908,161) in term deposits represents funds internally restricted by Unanimous Written Resolutions of the Board of Directors. The restrictions are as follows: (i) \$500,000 approved in 2018 to meet the costs of providing services to the uninsured (Note 9) or the costs associated with the transfer of care of uninsured or underinsured patients to an overseas treatment facility should on-island radiation treatment cease temporarily due to a natural disaster or other; (ii) \$1,779,925 approved for purchasing or replacement of assets. Interest earned on term deposits ranges between 2.00% and 4.25% (2024 – 2.54% and 4.25%) per annum.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2025

#### 5. Capital assets

Capital assets consist of:

	2025		2024	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 987,428	\$ -	\$ 987,428	\$ 987,428
Building and building improvements	11,657,600	6,225,270	5,432,330	3,259,297
Medical equipment	6,091,930	4,056,137	2,035,793	2,140,911
Medical equipment in progress	244,213	-	244,213	-
Office equipment and furniture	2,294,781	1,669,491	625,290	457,170
Vehicle	59,792	11,511	48,281	54,358
Website development	45,889	41,560	4,329	-
	<u>\$ 21,381,633</u>	<u>\$ 12,003,969</u>	<u>\$ 9,377,664</u>	<u>\$ 6,899,164</u>

The cost and accumulated amortization of capital assets on December 31, 2024 were \$18,689,820 and \$11,790,656, respectively. In June 2025, the Centre purchased an additional property for operational use, and the project to acquire and install a CT simulation machine for radiation therapy was in progress at year-end. During the year, the Centre disposed of both fully and partially depreciated capital assets with a cost of \$1,097,975 and a realized loss of \$103,970.

#### 6. Deferred contributions

Deferred contributions represent unamortized restricted contributions for capital or fundraising campaigns. Changes in the deferred contributions balances are as follows:

	2025	2024
Balance, beginning of year	\$ 1,425,883	\$ 1,823,290
Net cash contributions received (used)	107,590	167,407
Amounts amortized to revenue in the year	(629,255)	(564,814)
Balance, end of year	<u>\$ 904,218</u>	<u>\$ 1,425,883</u>

In 2000, the Centre launched a building campaign to raise \$4 million for a new Cancer Resource Centre, which was completed in 2003.

In May 2014, the Centre launched a new capital campaign for a Radiation Treatment Centre, and in October 2025, the Centre initiated another capital campaign for a Digital Mammography machine. The deferred contributions balance comprises amounts contributed during the current year and prior years that are externally restricted for the building of, and new equipment for, the Centre. The balance is amortized to revenue in line with the relevant expenses incurred.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2025

#### 7. Restricted net assets

Restricted net assets represent unspent resources externally restricted for the Scholarship Fund and for restricted capital campaign funds. The externally restricted funds include the Cancer Information Services ("CIS"), Capacity Building, Scholarship, Men's Health, and Digital Campaign Mammography Machine.

#### 8. General and administrative expenditures

	<u>2025</u>	<u>2024</u>
Salaries and related costs (Notes 10 and 14)	\$ 8,815,928	\$ 7,681,318
Amortization of capital assets (Note 5)	1,207,319	1,076,598
Professional fees	1,119,233	756,256
Radiologist support and outsourced costs	358,310	392,244
Building operation and maintenance	269,559	199,633
Insurance	226,421	227,586
Electricity and water	181,553	158,028
Membership and license fees	140,798	90,570
Rental expenses	86,874	94,462
Bank and FCPT charges	52,425	51,465
Telephone, postage and internet	50,449	40,844
Office supplies	21,829	30,523
Vehicle and transportation	12,801	11,407
Board of Directors' expenses	9,390	1,493
Office equipment maintenance	8,300	6,545
Miscellaneous	1,669	2,071
Annual charity fee	445	445
	<u>\$ 12,563,303</u>	<u>\$ 10,821,488</u>

#### 9. Donation to uninsured patients and subsidy for underinsured patients

The donation to uninsured patients of \$294,761 (2024 - \$498,376) represents services donated by the Centre for patients without insurance. The subsidy for underinsured patients of \$1,950,721 (2024 - \$1,303,817) primarily reflects the shortfall in reimbursement from the Government's public health insurance plans for services delivered, namely HIP and FutureCare. The Centre's fundraising activities fund a portion of these donated and subsidized costs, which helps ensure the continued ability of the Centre to deliver services to customers who are uninsured and underinsured.

#### 10. Employee future benefits

The Centre has a defined contribution pension plan that provides pension benefits to all its employees. Employee pension contributions of 5% are matched by the Centre. Pension expense incurred by the Centre in the current year was \$282,909 (2024 - \$245,504) and is included in general and administrative expenditures under salaries and related costs (Notes 8 and 14). Included in accounts payable and accrued liabilities as at December 31, 2025, is \$16,041 in accrued pension contributions (2024 - \$13,408).

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Notes to the Financial Statements**

December 31, 2025

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#### **11. Financial instruments**

The estimated fair values of financial instruments, including cash and cash equivalents, internally restricted cash and cash equivalents, term deposits and internally restricted term deposits, accounts receivable and accounts payable, approximate their carrying values due to their relatively short-term nature or because they attract market rates of interest. 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 realize in a current market exchange. Certain items, such as inventories, deferred contributions, accrued liabilities and capital assets, are excluded from the fair value disclosure. Thus, the individual fair value amounts cannot be aggregated to determine the Centre's underlying fair value.

The Centre has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks arising from transacting financial instruments include liquidity risk, credit risk, and market risk.

##### *Liquidity risk*

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations when they become due. The Centre manages liquidity to ensure sufficient funds are available to meet its liabilities when they fall due. Management believes that the Centre is not exposed to any significant concentration of liquidity risk.

##### *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 Centre's exposure to credit risk is limited to the carrying amount of its cash and cash equivalents, internally restricted cash and cash equivalents, term deposits and accounts receivable. The Centre holds cash and cash equivalents and term deposits with four Bermuda-based banks, which are externally regulated by the Bermuda Monetary Authority. The Centre monitors its accounts receivable balances and has recorded provisions for impairment of accounts receivable amounting to \$1,046,575 (2024 - \$80,049). The provision is significantly higher in 2025 due to amounts receivable from insurers related to the Centre's June 1, 2025 medical procedure rate increases being subject to uncertainty. The Centre is in communication with the affected insurers to resolve the issue, with the intention of collecting in part or in full. Management believes that the Centre is not exposed to any significant concentration of credit risk other than the receivables generated in the normal course of business with the local insurance companies and deposits with Bermuda-based banks.

##### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price 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 has no significant exposure to interest rate risk or currency risk.

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Notes to the Financial Statements**

December 31, 2025

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#### **12. Related party transactions**

During the normal course of its operations, the Centre purchased employee health benefits of \$979,085 (2024 - \$857,408) and property contents, vehicles, and directors' and officers' liability insurance totaling \$140,494 (2024 - \$144,013), from Allshores Limited, where a Board member of the Centre is Group Head of Consumer Solutions. These amounts are included in general and administrative expenditures (Note 8). In addition, the Centre has a defined contribution pension plan (Note 10) administered by Allshores Limited.

In addition, the Centre procured \$152,326 (2024 - \$50,948) in legal services from MJM Limited, where the Vice President of the Centre's Board of Directors was a director until November 30, 2025.

#### **13. Capital management**

The Centre defines capital, for its own purposes, as restricted and unrestricted fund balances. During the year, the Centre's objective in managing capital, unchanged from previous years, was to maintain sufficient unrestricted funds to withstand unexpected negative 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 meet its obligations as they become due. The Centre is not subject to any externally imposed capital requirements.

#### **14. Government remittances payable**

Included in accounts payable and accrued liabilities are government remittances payable of \$164,406 (2024 - \$136,138).

#### **15. Subsequent Events**

The Centre has assessed and evaluated all subsequent events arising from the balance sheet date up until April 30, 2026. Subsequent to the balance sheet date, the Centre has been engaged in major renovations in the ground floor reception area and CT Simulation room. In accordance with an agreement signed in 2025 for the purchase of a CT simulator for radiation therapy, the Centre paid 80% of the price due on delivery. These events relate to conditions that arose subsequent to the year-end and therefore have not been reflected in these financial statements.