



**Bermuda
Cancer and
Health Centre**
DETECTION PREVENTION SUPPORT

2012 ANNUAL REPORT



Our vision is to serve our community building healthier lives free of cancer and disease.

2012 ANNUAL REPORT

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REPORT FROM OUR BOARD

MR. GLEN GIBBONS, CHAIRMAN

Thank you to our supporters for raising \$914,377 over 3yrs

On behalf of the Board of Directors, I am pleased to present this annual report for Bermuda Cancer and Health Centre (the "Centre"), together with the audited financial statements for 2012.

During 2012, the Centre achieved its objective of implementing a comprehensive breast cancer detection program under the leadership of Dr. David Green, who was appointed to the position of Clinical Director and Breast Specialist Radiologist in December 2011. With the introduction of ultrasound and stereotactic guided breast biopsies, the Centre is now positioned to provide comprehensive breast cancer detection services.

In April of 2012, the 11 member team of Board Directors implemented a three year Strategic Plan for the Centre inclusive of a new vision and redeveloped mission statement. Under the leadership of various Board Committees, the Centre has established key goals and objectives which are focused on positioning the charity for long term financial viability while continuing to meet the needs of the community by providing valuable early cancer detection diagnostic imaging services, education, and awareness and prevention programs.

As of December 2012 the Centre brought to a close its current fundraising campaign. As a result of the generosity of the community, corporate and individual sponsors and donors, a total of \$914,377 has been raised during the three year period. Funds have been used to purchase specialised medical equipment for the performance of breast biopsies and patient support services.

Our vision is "to serve our community building healthier lives free of cancer and disease". The work conducted by the Centre would not be possible without the on-going and dedicated support of volunteers, donors, staff, and the management team and I wish to express the gratitude of the Board of Directors to everyone who supports the Centre.

Sincerely



Glen Gibbons
Chairman of the Board of Directors
Bermuda Cancer and Health Centre

MESSAGE FROM THE EXECUTIVE DIRECTOR

The Centre donated \$118,589 enabling the uninsured and underinsured to continue receiving valuable cancer screening

On behalf of the staff, volunteers and donors of Bermuda Cancer and Health Centre (the “Centre”), I am pleased to join the Chairman in the presentation of the 2012 Annual Report. As a result of steps taken to reduce expenses and optimize operations to align with the current economic conditions in Bermuda, the Centre is pleased to present a net income of \$249,372 for 2012 which represents a significant improvement over 2011.

The Centre garners the majority of its revenues to support its operation through the provision of diagnostic imaging procedures which include mammograms, ultrasound and bone densitometry. Although there was little change in the insurance reimbursement rates for 2012, the Centre did experience an overall decline in revenues as a result of a 7% decrease in the number of patient appointments—primarily due to increased local competition and relocation of patients from Bermuda.

Although the cost of clinical procedures conducted at the Centre is fully covered by local private health insurance providers, reimbursement by the Health Insurance Department (HID), which provide HIP and Age Subsidy for services provided outside of King Edward VII Memorial Hospital, was restricted to the Bermuda Health Council’s Diagnostic Imaging Fee Schedule. Therefore, not all procedures offered at the Centre are reimbursed by the HID. Additionally, some procedures are either not covered or are only partially covered by the HID’s FutureCare plan.

As a charity, the Centre does not require a patient co-payment for any of its clinical services and, for the past three years, has provided a donation to help cover the cost for underinsured (\$52,243) and uninsured (\$66,346) patients so that they may continue to receive valuable disease and cancer screening tests.

As indicated in the Chairman’s report, a significant milestone for the Centre was the launch of a comprehensive breast biopsy program in May 2012. Consequently, patients who require further assessment are now able to meet immediately with the Centre’s Breast Specialist, Dr. David Green. If the recommendation is to have a breast biopsy, the procedure can be scheduled within a day or two after the screening mammogram. The Centre has partnered with breast specialist pathologists at Brigham and Women’s Hospital in Boston, Massachusetts, where biopsy tissue samples are normally sent for analysis. Results are typically available for the patient’s primary care physician in three to five days. We are tremendously proud to provide this level of specialist, comprehensive and patient-centric care for our local community.

I wish to thank our patients, sponsors, donors, volunteers, staff and Board of Directors for the continued support of the charity, its mission and the services we are providing for our community.

Sincerely



Tara Soares
Executive Director

BERMUDA'S BREAST SPECIALIST

THE MARY-JEAN MITCHELL GREEN ULTRASOUND SUITE

In May 2012, Bermuda Cancer and Health Centre (the "Centre") made the final step in achieving its vision of providing a comprehensive breast cancer detection service with the dedication of THE MARY-JEAN MITCHELL GREEN ULTRASOUND SUITE and the introduction of a breast biopsy service.

The new suite was named after Mary-Jean Mitchell Green who died of breast cancer in 1990 at the age of 39, just three years after being diagnosed. The Green Family, Mary-Jean's husband Peter and sons Alexander and Andrew have been long time supporters of the Centre and most recently donated \$50,000 in 2010 and an additional \$20,000 in 2012 to assist with the purchase of state-of-the-art medical equipment to support the new biopsy program.



GE Logiq E9 Ultrasound

This equipment has expanded the Centre's ability to capture extraordinary images in real-time while also providing the best possible imaging for the Centre's Breast Specialists to conduct important breast assessments and biopsy procedures.

We are extremely grateful to our friends, Peter, Alexander and Andrew, for their continued support and for being instrumental in helping to provide our community with access to the best possible early breast cancer detection. With their support, we have moved significantly closer to our vision "to serve our community building healthier lives free of cancer and disease".

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Andrew Green, Dr. David Green and Alexander Green

BERMUDA'S BREAST SPECIALIST**DR. DAVID GREEN**

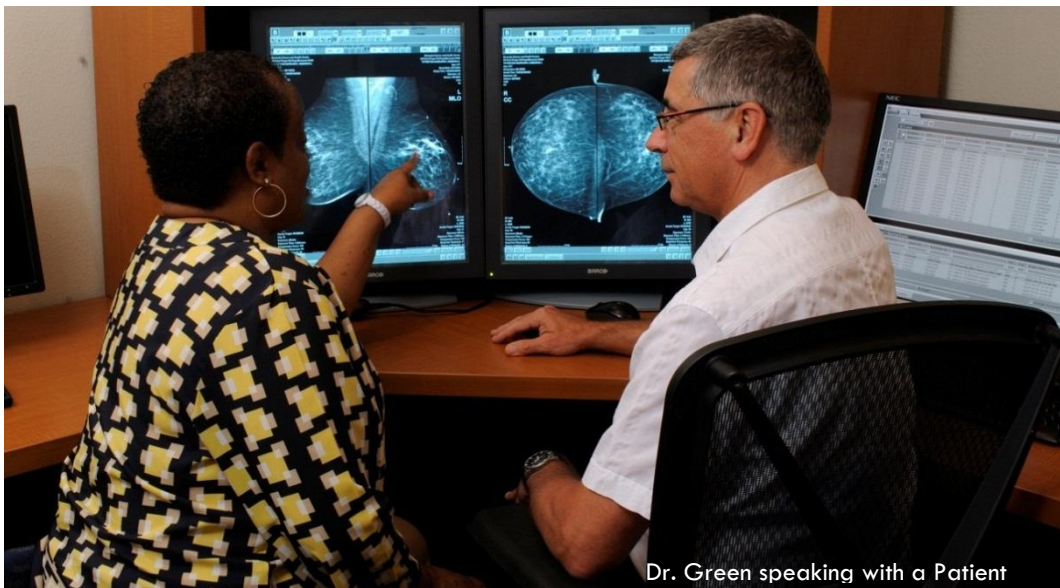
**The Centre's Digital Mammography Services achieved
American College of Radiology (ACR) Gold Seal Accreditation**

As a Consultant Breast Radiologist and Clinical Director of more than 23 years, Dr. Green has reported over 260,000 breast examinations and has performed over 10,000 image guided breast biopsies, lymph node biopsies and wire localisations. As Clinical Director of a leading breast facility in the UK, Dr. Green has gained extensive experience in managing and leading a large screening facility, and his expertise has helped Bermuda Cancer and Health Centre (the "Centre") pursue the goal of achieving internationally recognised standards and performance. Dr. Green is a fellow of the Royal College of Radiologists (UK) and a member of the British Society of Breast Radiology (BSBR).

Throughout his career, Dr. Green has participated in the UK National Quality Standards (NQS) programme in which his personal performance in detecting breast cancer was audited against national standards. Dr. Green has consistently exceeded the national standards in cancer detection whilst maintaining a low patient recall rate, which ensure patients do not have unnecessary repeat mammograms and breast biopsies.

Under the leadership of Dr. Green, the Centre has achieved American College of Radiology (ACR) Gold Seal Accreditation for digital mammography. With the introduction of a comprehensive breast biopsy service in the spring of 2012, the Centre has begun its pursuit of ACR accreditation for breast ultrasound and stereotactic breast biopsy.

The Centre is extremely proud to have Bermuda's only dedicated Breast Specialist Radiologist available to serve all residents in our community.



Dr. Green speaking with a Patient

CLINICAL SERVICES

FULL RANGE OF DIAGNOSTIC IMAGING SERVICES PROVIDED

BREAST BIOPSY

Bermuda Cancer and Health Centre (the “Centre”) successfully launched comprehensive breast biopsy services in May 2012. Performed by our Clinical Director and Breast Specialist, Dr. David Green, the biopsy service is backed by a specialist team of breast pathologists at Brigham and Women’s Hospital in Boston who provide timely and accurate tissue analysis for our patients.

DIGITAL MAMMOGRAPHY

Digital Mammography remains the gold standard for breast cancer screening. In early 2012, Gold Seal Accreditation was awarded to our digital mammography service by the American College of Radiology which represents the highest level of image quality and patient safety for Bermuda.

ULTRASOUND

The Centre’s new “Mary-Jean Mitchell Green Ultrasound Suite” has been redesigned offering men and women an expanded array of ultrasound services for abdominal, vascular, testicular and extremity exams as well as breast ultrasounds and biopsies.

BONE DENSITOMETRY (DEXA)

DEXA is one of the most accurate bone density tests available and assists in the diagnosis of bone mineral loss at an early stage. This test also allows physicians to determine the rate of bone loss, show changes in bone density over time, and track progress made during treatment.



EDUCATION

PROVIDING COMMUNITY SUPPORT

LENDING LIBRARY

Located on the ground floor of Bermuda Cancer and Health Centre (the “Centre”), the library offers more than 800 books and DVDs covering a wide range of cancer and health topics.

CANCER INFORMATION SERVICE (CIS)

Residents of Bermuda have access to our free Cancer Information Service provided through our partnership with the Canadian Cancer Society. By calling 232-2247 individuals may speak directly to knowledgeable Cancer Information Specialists on a host of cancer topics and receive information about support available in our local community.

SUNSMART

Sponsored by Allied World, this popular school and summer camp programme provides children and camp leaders with information on the importance of sun protection measures to avoid sunburn and potential skin cancers later in life.

LUNGSMART

Sponsored by Argus, our smoking prevention programme provides students with a sound understanding of the health dangers associated with smoking and the high level of addiction to nicotine which occurs with smoking.

MEN’S HEALTH PROGRAMMES

The Centre continues to provide free presentations on Men’s Health topics and in 2012 offered financial support for uninsured/underinsured men through the Men’s Health Voucher programme enabling men over 40yrs of age to visit their physicians for an annual physical. In February, the Centre sponsored a Men Only Health Screening Day during which an estimated 400 men attended.

LECTURE AND TALK SERIES

Providing free, relevant health information to the community is an important goal of the Centre. This year’s talks covered many specific cancers as well as other topics including “Life after Cancer”, “Healthy Eating on the Go”, and the “Importance of Sleep”. The Centre also participated in a record 17 Corporate and Community Health Fairs.



MARKETING AND FUNDRAISING

GETTING THE COMMUNITY INVOLVED

THE BERMUDA CANCER AND HEALTH SCHOLARSHIP

Bermuda Cancer and Health Centre (the “Centre”) awarded EreK Fox a \$10,000 scholarship in 2012 supporting his current studies to be a physiatrist. A second scholarship is currently supporting LeRhonda Mills with her pursuit of a career in oncology nursing.

FUNDRAISING

Over 250 volunteers took to the streets on June 16th & 17th 2012 for our Purple Tag Days which raised \$17,822. Our annual raffle was drawn on Oct. 17 and with the generous support of our volunteers raised \$24,568 toward the purchase of state-of-the-art medical equipment.

BREAST CANCER AWARENESS MONTH

Patron of Breast Cancer Awareness Month, Mrs. Fergusson, invited the community to “Be a Part of the Cure” by volunteering, fundraising and participating in a number of annual initiatives: Wear it PINK Denim Day, Fish Fry, Girls Night In, Breast Talk and a host of other events by individuals and organisations. This year’s campaign raised over \$253,000.

Once again the highlight of the month was the Breast Cancer Annual Fun Walk. Event sponsor BF&M transformed Barr’s Bay Park into a magical pink venue for more than 1,800 walkers who attended the health fair and Survivor’s Ceremony.

MOVEMBER

With the support of our new sponsor Elbow Beach Bermuda, over \$133,000 was raised by the 156 participants in Movember to support our Men’s Health Programme, which encourages men over the age of 40 to take control of their health. Funding was provided to 166 uninsured/underinsured men to assist with costs of receiving an annual physical. A free men’s screening clinic was offered in January giving men access to critical screening tests and the opportunity for brief consultation with a local physician.



2012 Tag Day – presentation to Governor George Fergusson



2012 Scholarship Recipient – EreK Fox

IT (INFORMATION TECHNOLOGY)

SECURING OUR FUTURE

INFORMATION SECURITY

Information technology (IT) best practice policies and procedures that support the operation of Bermuda Cancer and Health Centre (the “Centre”), were developed and implemented in 2012. In addition, a new Information Security Plan was implemented during the year to ensure the confidentiality, integrity, and availability of data.

As the Internet has become a primary source of commerce and communications, the Centre adopted security technology that provides users with the confidence that transactions are secure from theft and fraud. Secure Sockets Layer (SSL) technology has become the standard for securing transactions.

Not only were new firewalls implemented but a new Spam device (Barracuda) and Virus Protection (Kaspersky) were installed to protect our systems.

Secure and encrypted VPN Tunnels were established between specific service providers.

DISASTER RECOVERY

A disaster recovery plan and business continuity plan were implemented to provide for the continuity, restoration and recovery of critical data and systems should a disaster strike.

All data processed by the Centre is stored on highly secure data servers, and a dual backup system was implemented utilising an internal backup system and a “real time” off-site backup solution where the data is backed up to a secure server in a datacentre hosted by Fort Knox.

VENDOR MANAGEMENT

An audit of vendors was performed, and reliable vendors have been retained to ensure dependable delivery and competitive pricing from which the Centre has greatly benefited.



November 2012 – MoBros being pampered by The Spa at Elbow Beach

YOUR SUPPORT

HOW YOUR DONATIONS WERE SPENT

As a result of the dedicated effort of the Fundraising and Marketing Department the Centre held several successful fundraising events throughout the year. Funds raised assisted with the completion of two major initiatives which were launched in 2010.

RIS (RADIOLOGY INFORMATION SYSTEMS)

In 2012 the Centre completed the implementation of Medformatix, a state-of-the-art patient management system. At a cost of \$224,860, the software application offers a comprehensive patient database platform while providing greater functionality for scheduling of appointments, managing confidential patient information, reporting and billing. This new platform provides an enhanced workflow for the Centre and has greatly improved the patient experience.

PICTURING ARCHIVING AND COMMUNICATION SYSTEM (PACS)

Eleven new servers along with upgraded software were acquired in 2012 at a cost of \$157,620. These systems process and store the Centre's digital images and include a "real-time" backup server which is hosted off-site. The system upgrade included a new CD/DVD burner which enables the Centre to provide digital imaging on CD's or DVD's to patients, physicians and other imaging facilities. The PACS system has also been integrated with our new RIS System which provides the Centre's Breast Specialist Radiologist with streamlined functionality.



Annual Breast Cancer Fun Walk sponsored by BF&M

YOUR SUPPORT
THANKING OUR DONORS
CORPORATE MATCHING

Corporate matching gifts are a valuable way for supporters of Bermuda Cancer and Health Centre (the “Centre”) to maximize personal contributions to our charity and increase the impact of their gift. Many companies provide matching donations thereby doubling, tripling or quadrupling the personal donation made by their staff. Thank you to the following companies for supporting their staff donations and allowing them to maximize their contributions:

AMLIN Bermuda	Aon Benfield	Catlin Insurance Company Ltd.
Deloitte	Enstar Limited	FIL Limited
Flanagans Onion FC	Gibbons Management Services	Colonial Medical
Marketplace	Meridian Fund Services	RenaissanceRe

UNION DUES

Many employees opt to designate their union dues to support a charity of their choice. The Centre was honoured to be one of the recipients of these donations and would like to acknowledge those employees of the following companies for their support:

Bermuda Hospitals Board	Bermuda Government	Cambridge Beaches
Fairmont Hamilton Princess	Fairmont Southampton	Newstead Belmont Hills
TBI International	The Reefs	

YOUR SUPPORT

THANKING OUR DONORS CONTINUED

CHARITABLE GIVING IN MEMORY

Charitable donations can be made through gifts of life insurance, outright gifts of cash, pledges, securities, and bequests in wills. Our heartfelt thank you to all who donated in honour of a departed loved one this year.

Mr. William Bezant

Els Paulusma-Pleging

Mrs. Henrietta DaPonte

Mr. Gary Hines

Mr. Webster Tucker

HONOURING OTHERS

Making a charitable donation in the name of a loved one is a meaningful way to give for any occasion. In 2012, the Centre received gifts in lieu of celebrating survivorship, birthdays and anniversaries. Thank you for choosing to make a donation to Bermuda Cancer and Health Centre in honour of your loved one.

Mr. and Mrs. Frank DaPonte

Mr. and Mrs. Peter Dunne

Mrs. Ardleigh Young

Mrs. Bernie Bedson

Mrs. Judy White

Ms. Emma Williamson

Ms. Ava Wilmot

Mrs. Jane Dallas and late
husband Mr. Henry Dallas

YOUR SUPPORT

THANKING OUR DONORS CONTINUED

DONOR HONOUR ROLL

Their philanthropic support helped to improve patient care, the purchase of cancer detection equipment, and funding for cancer prevention programmes. These donors contributed over \$2,000 each during the 2012 fiscal year:

A. P. Moller (Bermuda) Limited	Abacus Trust Limited	Allied World Assurance Company
Alterra	AMLIN Bermuda	Aon Benfield
Bank of Bermuda Foundation	Berkeley Institute School	Bermuda High School For Girls
Bermuda Police Service	BF&M Insurance Company	BGA Group of Companies
Butterfield & Vallis	Capital G	CedarBridge Academy
Chartis Insurance	Chevron International Limited	Conyers Dill & Pearman
Charles Cooper	Correia Construction	Cripps Charitable Trust
Joe DaSilveira	Deloitte	Pamela Dunkley
FIL Limited	Fairmont Southampton	Fu Manchu Team
Michelle Gallagher	Gibbons Company Limited	Hamilton Parish, Tuckers Town Trust
Fatima Hassan	HSBC - Bank of Bermuda	Just Between Us
Keiths Kitchen	KPMG	KPMG Movember
Chris Lane	Lombard Odier Darier Hentsch	Marketplace
MOMentum	Ostomy Association	PartnerRe Limited
Andy Pereira	RenaissanceRe	Saltus Grammar School
Social Concerns Team of Christ Church	SportsSeller	Jamie Steeves
Brian Steinhoff	Sun Life	The Argus Group
The Green Family	The Walker Arcade Company Ltd	Margaret Weale
Mark Wilcox	Zurich International (Bermuda) Ltd	Chrissy Wetherhill, Audrey Cranage, June Sousa and Sandra Soares

BOARD OF DIRECTORS

DRAWING ON EXPERTISE

Through strategic planning, our volunteer Board set a new vision for the Charity “to serve our community building healthier lives free of cancer and disease”. Together with the staff and volunteers of Bermuda Cancer and Health Centre we look forward to strengthening partnerships with our community to achieve the greatest impact in the fight against cancer.

Glen Gibbons* - Board President since 2008, Member of Finance & Investment Committee, Senior Vice President, BF&M Ltd.

Judy White* - Vice President since 2007, Member of Governance & Compliance and Finance & Investment Committees. President, CTFS Bermuda Ltd.

Tara Soares - Appointed 2008, Member of Governance & Compliance, Finance & Investment and Clinical Committees. Executive Director, Bermuda Cancer and Health Centre

Denton Williams - Appointed 2011, Chairman of Clinical Committee. COO, BELCO

Lynda Davidson-Leader - Appointed 2011, Corporate Secretary, Member of Governance & Compliance Committee. Vice President of Corporate Services, BF&M Ltd.

Jeanne Edridge* – Appointed 2007, Member of Scholarship Committee and PALS Board of Directors. Retired Computer Manager

Gary Carr* – Appointed 2007, Member of Governance & Compliance Committee. Accountant, Delphi

Jennifer Haworth* - Appointed 2007, Chairman of Governance & Compliance Committee. Litigation Attorney, MJM Ltd.

Wendy Dunne - Appointed 2011, Member of Finance & Investment and Scholarship Committees. Retired Insurance Underwriter

Pictured to the left:

Larry Dennis* - Appointed 2007, Chairman of Finance Investment and Scholarship Committees. Retired Auditor General
Dr. Henry Dowling- Appointed 2011, Member of Clinical Committee. Family Practitioner, Associates In Integrated Health

* Board members were previously council members of the Bermuda TB Cancer and Health Association.



AUDITOR'S REPORT

BERMUDA CANCER AND HEALTH CENTRE

Financial Statements

(With Independent Auditors' Report Thereon)

For the year ended December 31, 2012

AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of Bermuda Cancer and Health Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2012, December 31, 2011 and September 1, 2010, the statements of revenues and expenditures, changes in net assets and cash flows for the periods ended December 31, 2012 and December 31, 2011, and notes, comprising 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 generally accepted 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we comply with ethical requirements and plan and perform an 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 our 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, we consider internal control relevant to the Centre'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 Centre'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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

AUDITOR'S REPORT**Basis for Qualified Opinion**

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. Therefore, we were not able to determine whether, for the periods ended December 31, 2012 and December 31, 2011, any adjustments might be necessary to donations, amortization of deferred contributions and excess (deficit) of revenues over expenditures reported in the statement of revenues and expenditures, and deferred contributions and net assets reported in the statement of financial position as at December 31, 2012, December 31, 2011 and September 1, 2010. This caused us to qualify our audit opinion on the financial statements for the periods ended December 31, 2011 and August 31, 2010.

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 the Centre as at December 31, 2012, December 31, 2011 and September 1, 2010 and its results of operations and its cash flows for the periods ended December 31, 2012 and December 31, 2011 in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada.

KPMG Audit Limited

KPMG Audit Limited

Hamilton, Bermuda

April 3, 2013

BERMUDA CANCER AND HEALTH CENTRE

Statement of Financial Position

As at December 31, 2012


(Expressed in Bermuda Dollars)

	December 31, <u>2012</u>	December 31, <u>2011</u>	September 1, <u>2010</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 1,392,458	\$ 1,845,792	\$ 1,749,897
Accounts receivable - net of a provision of \$66,749 (2011 - \$154,345 and 2010 - \$23,331)	368,441	412,959	890,736
Prepaid expenses	35,730	72,570	121,281
Inventories	<u>55,450</u>	<u>34,696</u>	<u>23,520</u>
Total current assets	1,852,079	2,366,017	2,785,434
Investments (Note 4)	148,383	148,102	138,551
Term deposits (Note 4)	900,000	-	-
Capital assets (Note 5)	<u>4,659,584</u>	<u>5,083,607</u>	<u>5,228,103</u>
Total assets	<u>\$ 7,560,046</u>	<u>\$ 7,597,726</u>	<u>\$ 8,152,088</u>
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued liabilities (Note 14)	<u>\$ 255,658</u>	<u>\$ 394,981</u>	<u>\$ 228,161</u>
Total current liabilities	255,658	394,981	228,161
Deferred contributions (Note 6)	<u>4,194,310</u>	<u>4,342,039</u>	<u>4,275,612</u>
Total liabilities	<u>4,449,968</u>	<u>4,737,020</u>	<u>4,503,773</u>
Net assets			
Unrestricted net assets	2,011,018	1,672,889	3,215,154
Restricted net assets (Note 7)	<u>1,099,060</u>	<u>1,187,817</u>	<u>433,161</u>
Total net assets	<u>3,110,078</u>	<u>2,860,706</u>	<u>3,648,315</u>
Total liabilities and net assets	<u>\$ 7,560,046</u>	<u>\$ 7,597,726</u>	<u>\$ 8,152,088</u>

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

For the year ended December 31, 2012

(with comparative figures for the period from September 1, 2010 to December 31, 2011)

(Expressed in Bermuda Dollars)

	December 31, <u>2012</u>	December 31, <u>2011</u> (16 months)
Revenues		
Mammography services	\$ 1,519,071	\$ 2,133,317
Densitometry services	898,222	1,228,794
Amortization of deferred contributions (Note 6)	526,481	617,609
Ultra sound services	379,149	496,522
Donations	197,273	272,390
Biopsy service income	143,991	-
Prescription sales	64,939	91,414
Interest income	20,276	4,671
Dividends from investments	5,909	9,439
Rent and other income	<u>5,000</u>	<u>13,075</u>
 Total revenues	 <u>3,760,311</u>	 <u>4,867,231</u>
Expenditures		
General and administrative (Note 8)	2,738,294	4,791,159
Fundraising and education	253,428	314,341
Mammography services	197,948	276,399
Biopsy expenses	80,062	-
Donation to uninsured patients (Note 9)	66,346	61,893
Prescription purchases	65,797	90,371
Subsidy for underinsured patients (Note 9)	52,243	55,386
Densitometry services	28,597	50,832
Ultrasound services	28,505	24,010
Net change in unrealized gains and losses on investments (Note 4)	<u>(281)</u>	<u>(9,551)</u>
 Total expenditures	 <u>3,510,939</u>	 <u>5,654,840</u>
 Excess (deficit) of revenues over expenditures	 <u>\$ 249,372</u>	 <u>\$ (787,609)</u>

See accompanying notes to financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Changes in Net Assets

Year ended December 31, 2012

(Expressed in Bermuda Dollars)

	Restricted net assets (Note 7)							Unrestricted assets
	Scholarship	Building	Digital	CIS	RIS	Men's Health	Total	
Balance beginning of year	\$ 443,272	\$ (34,894)	\$ (833)	\$ 363,832	\$ 259,767	\$ 156,673	\$ 1,187,817	\$ 1,672,889
Transfers	-	34,894	833	-	(35,727)	-	-	-
Excess (deficit) of revenues over expenses	(12,931)	-	-	(39,826)	(77,289)	41,289	(88,757)	338,129
Balance at end of year	\$ 430,341	\$ -	\$ -	\$ 324,006	\$ 146,751	\$ 197,962	\$ 1,099,060	\$ 2,011,018

See accompanying notes to financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Cash Flows

For the year ended December 31, 2012
 (with comparative figures for the period from September 1, 2010 to December 31, 2011)
(Expressed in Bermuda Dollars)

	December 31, <u>2012</u>	December 31, <u>2011</u> (16 months)
Operating activities		
Excess (deficit) of revenues over expenditures	\$ 249,372	\$ (787,609)
Adjustments for:		
Depreciation of capital assets	507,286	659,668
Amortization of deferred contributions	(526,481)	(617,609)
Net change in unrealized gains and losses on investments	(281)	(9,551)
Changes in non-cash working capital balances:		
Accounts receivable	44,518	477,777
Prepaid expenses	36,840	48,711
Inventories	(20,755)	(11,176)
Accounts payable and accrued liabilities	<u>(139,323)</u>	<u>166,820</u>
Cash provided by (used in) operating activities	<u>151,176</u>	<u>(72,969)</u>
Investing activities		
Purchase of term deposits (Note 4)	(900,000)	-
Purchase of capital assets	<u>(83,262)</u>	<u>(515,172)</u>
Cash used in investing activities	<u>(983,262)</u>	<u>(515,172)</u>
Financing activities		
Net cash contributions received for capital campaigns (Note 6)	<u>378,752</u>	<u>684,036</u>
Cash provided by financing activities	<u>378,752</u>	<u>684,036</u>
Net (decrease) increase in cash and cash equivalents	(453,334)	95,895
Cash and cash equivalents at beginning of period	<u>1,845,792</u>	<u>1,749,897</u>
Cash and cash equivalents at end of period	<u>\$ 1,392,458</u>	<u>\$ 1,845,792</u>

See accompanying notes to financial statements

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

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. Adoption of accounting standards for not-for-profit organizations

Effective January 1, 2012, the Centre adopted the requirements of the Canadian Institute of Chartered Accountants (“CICA”) Handbook – Accounting Part III: Accounting Standards for Not-for-Profit Organizations (“ASNFPO”). These are the Centre’s first financial statements prepared in accordance with ASNFPO and the transitional provisions of Section 1501, *First-time Adoption* have been applied. Section 1501, requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the following significant accounting policies note have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presentation in these financial statements for the period ended December 31, 2011 and in the preparation of an opening ASNFPO balance sheet at September 1, 2010, the date of transition.

The Centre issued financial statements for the period ended December 31, 2011 using generally accepted accounting standards in Bermuda and Canada as contained in Part V of the CICA Handbook. The adoption of ASNFPO has resulted in the following transitional adjustments to the previously reported, revenues, expenditures and cash flows of the Centre. There have been no adjustments to assets, liabilities and net assets of the Centre.

(a) Transitional adjustment

The following transitional adjustment was made to the excess (deficit) of revenues over expenditures for the period ended December 31, 2011 as previously reported:

Excess (deficit) of revenues over expenditures as previously reported for the period ended December 31, 2011	\$ (797,160)
Transitional adjustment - net change in unrealized gains and losses on investments	<u>9,551</u>
Excess (deficit) of revenues over expenditures for the period ended December 31, 2011 according to ASNFPO	<u>\$ (787,609)</u>

(b) Transition elections

In accordance with first time adoption provisions of ASNFPO, the Centre has elected not to apply any of the available transition elections.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

3. Significant accounting policies

These financial statements were prepared in accordance with ASNFPO 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

(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 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.

Revenues from services are 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 the 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. Interest earned on cash and cash equivalents is at rates ranging between 0% and 0.50% (2011 - 0% to 0.35%) per annum.

(d) Inventories

Inventories are carried at the lower of cost and net realizable value, and are valued on a first-in, first-out basis. Included in prescription purchases are recognized inventory expenses of \$65,797 (2011 - \$90,372). There were no inventories written off during the year (2011 - \$nil) and no provision for obsolete or slow-moving inventories at the reporting date (2011 - \$nil and 2010 - \$nil).

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

3. Significant accounting policies (continued)*(e) Capital assets*

Capital assets are recorded at cost less accumulated depreciation. Land is not depreciated. Depreciation 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
Medical equipment	5-10 years
Vehicle	5 years
Furniture and fixtures	5 years
Office equipment	3 years
Website development	5 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 recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(f) Donated services

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

(g) Financial instruments

Financial instruments consist of cash and cash equivalents, term deposits, marketable securities, accounts receivable and accounts payable and accrued liabilities.

Marketable securities quoted in an active market are carried at fair value, with the related net unrealized gains or losses included in net income. The fair value of the marketable securities is based on quoted market values. Transaction costs are recognized in net income in the period incurred.

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

Accounts receivable are classified as loans and receivables and are measured at amortized cost using the effective interest method, less any adjustment for impairment.

Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost using the effective interest method.

Financial assets 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.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

4. Investments and term deposits

Investments include marketable securities consisting of:

Number of shares	Securities held	December 31, 2012		December 31, 2011		September 1, 2010	
		Cost	Fair value	Cost	Fair value	Cost	Fair value
22,243	Bank of N.T. Butterfield Ltd.	\$ 38,871	\$ 27,339	\$ 38,871	\$ 25,152	\$ 38,871	\$ 32,807
4,000	Bermuda Commercial Bank Ltd.	21,575	48,000	21,575	44,000	21,575	38,200
4,509	Ascendant Group Ltd.	70,712	52,755	70,712	59,744	70,712	45,002
3,492	Keytech Limited	49,213	20,289	49,213	19,206	49,213	22,542
		\$ 180,371	\$ 148,383	\$ 180,371	\$ 148,102	\$ 180,371	\$ 138,551

As at December 31, 2012, the Centre placed \$900,000 of its cash into 24-30 month certificates of deposit with a local bank with interest rates of 2.50% to 2.75% payable upon maturity.

5. Capital assets

Capital assets consist of:

	December 31, 2012			December 31, 2011	September 1, 2010
	Cost	Accumulated depreciation	Net book value	Net book value	Net book value
Land	\$ 987,428	\$ -	\$ 987,428	\$ 987,428	\$ 987,428
Building and building improvements	3,709,986	1,655,471	2,054,515	2,243,061	2,493,940
Medical equipment	2,603,498	1,055,833	1,547,665	1,733,363	1,608,362
Vehicle	17,630	3,328	14,302	16,070	-
Office equipment and furniture	606,811	563,025	43,786	87,339	116,083
Website development	22,290	10,402	11,888	16,346	22,290
	\$ 7,947,643	\$ 3,288,059	\$ 4,659,584	\$ 5,083,607	\$ 5,228,103

The cost and accumulated depreciation of capital assets at December 31, 2011 were \$7,864,380 and \$2,780,773, respectively and at September 1, 2010 were \$7,362,500 and \$2,134,397 respectively.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

6. Deferred contributions

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

	December 31, 2012	December 31, 2011	August 31, 2010
Balance, beginning of period	\$ 4,342,039	\$ 4,275,612	\$ 4,269,614
Amount received during the current period	378,752	684,036	510,891
Amounts amortized to revenue in the period	<u>(526,481)</u>	<u>(617,609)</u>	<u>(504,893)</u>
Balance, end of period	<u>\$ 4,194,310</u>	<u>\$ 4,342,039</u>	<u>\$ 4,275,612</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.

7. Restricted net assets

Restricted net assets represent unspent resources internally restricted for the Scholarship fund as well as externally restricted capital campaign funds. The externally restricted funds include Building, Digital, Cancer Information Services ("CIS"), Radiology Information System and Patient Support Services ("RIS") and Men's Health.

8. General and administrative expenditures

	December 31, 2012 (12 months)	December 31, 2011 (16 months)
Salaries and related costs	\$ 2,054,824	\$ 3,142,951
Depreciation of capital assets	507,286	659,668
Building operation and maintenance	79,965	151,198
Insurance	62,924	82,243
Professional fees	49,843	120,410
Telephone and postage	46,228	77,407
Electricity and water	28,205	36,871
System implementation expenses	27,218	48,441
Miscellaneous	24,544	37,977
Office supplies	22,301	33,803
Office equipment maintenance	13,314	27,184
Bank charges	6,492	13,146
Bad debts (recovery) expense	<u>(184,850)</u>	<u>359,860</u>
	<u>\$ 2,738,294</u>	<u>\$ 4,791,159</u>

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

9. Donation to uninsured patients and subsidy for underinsured patients

The donation to uninsured patients of \$66,346 (2011 - \$61,893) represents services donated by the Centre for patients without insurance. The subsidy for underinsured patients of \$52,243 (2011 - \$55,386) represents services not covered by other agencies.

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 \$60,941 (2011 - \$94,158) and is included in general and administrative expenditures under salaries and related costs (Note 8). The pension liability as at December 31, 2012 amounted to \$315 (2011 - \$196 and 2010 - \$14,992) and is included in accounts payable and accrued liabilities in the statement of financial position.

11. Financial instruments

The estimated fair value of financial instruments, including cash and cash equivalents, term deposits, accounts receivable and accounts payable and accrued liabilities approximate their carrying value due to their relative short-term nature or the fact that 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 4.

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 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 holds cash and cash equivalents and term deposits 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 and directors and others liability insurance of \$188,920 (2011 - \$146,785) and \$35,847 (2011 - \$45,259) respectively, from BF&M Ltd. where a Board member of the Centre is the Senior Vice President. In addition, the Centre has a defined contribution pension plan (Note 10) administered by BF&M Ltd. The Centre also paid expenses related to HR consultancy, immigration processing and staff professional development training of \$21,564 (2011 - \$34,250) to Expertise Limited, where one of the partners is married to a Board member of the Centre.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2012

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.

14. **Government remittances payable**

Included in accounts payable and accrued liabilities are government remittances payable of \$32,544 (December 31, 2011 - \$29,335; and September 1, 2010 - \$2,515).

EDUCATION AND FUNDRAISING EVENTS



LUNGSMART POSTER COMPETITION



NOVEMBER - THE CUTTING ROOM LADIES



BREAST CANCER FUN WALK



FAIRMONT SOUTHAMPTON BREAST CANCER DONATION



TAG DAY PREPARATIONS



LIFEGUARDS BARE ALMOST ALL TO HELP FIGHT CANCER

EDUCATION AND FUNDRAISING EVENTS



SALTUS GRAMMAR SCHOOL'S "BF&M SCHOOL SPIRIT" DONATION TO OUR CHARITY



BREAST CANCER FUN WALK



VOLUNTEERS DECORATING OUR TREE AT ST. MARKS



MOVEMBER AT ELBOW BEACH



MRS. FERGUSSON, PATRON OF BREAST CANCER AWARENESS MONTH



SUNSMART BACK TO SCHOOL FUN DAY



2012 BREAST CANCER AWARENESS FUN WALK



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**To be a Centre of Excellence offering comprehensive Breast Specialist services
and providing early detection, support and education for cancer and other diseases.**