

**GREENROCK**

**Financial Statements**  
(With Auditors' Report Thereon)

June 30, 2010



**KPMG**

Crown House  
4 Par-la-Ville Road  
Hamilton HM 08, Bermuda  
Mailing Address:  
P.O. Box HM 906  
Hamilton HM DX, Bermuda

Telephone 441 295-5063  
Fax 441 295-9132  
Internet [www.kpmg.bm](http://www.kpmg.bm)

**AUDITORS' REPORT**

To the Executive Members of Greenrock

We have audited the statement of financial position of Greenrock as at June 30, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Executive Members. 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 organisations, Greenrock derives revenues from donations, special events and campaigns, 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 Greenrock and we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, assets and fund balance.

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 revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Greenrock as at June 30, 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  
January 26, 2012

**GREENROCK**

## Statement of Financial Position

June 30, 2010

*(Expressed in Bermuda Dollars)*

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|  | <u>2010</u>       | <u>2009</u>       |
|--|-------------------|-------------------|
| <b>Assets</b>                              |                   |                   |
| <b>Current assets</b>                      |                   |                   |
| Cash and cash equivalents                  | \$ 127,792        | \$ 152,575        |
| Accounts receivable                        | 30,067            | 1,500             |
| Other assets                               | 5,081             | -                 |
| Prepaid expenses                           | <u>303</u>        | <u>-</u>          |
| <b>Total assets</b>                        | <b>\$ 163,243</b> | <b>\$ 154,075</b> |
|  | <u>=====</u>      | <u>=====</u>      |
| <b>Liabilities</b>                         |                   |                   |
| Accounts payable                           | \$ 8,890          | \$ 4,859          |
| Deferred contributions (Note 3)            | <u>34,473</u>     | <u>19,350</u>     |
|  | 43,363            | 24,209            |
| <b>Fund balance</b>                        |                   |                   |
| Operating fund                             | <u>119,880</u>    | <u>129,866</u>    |
|  | <u>119,880</u>    | <u>129,866</u>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 163,243</b> | <b>\$ 154,075</b> |
|  | <u>=====</u>      | <u>=====</u>      |

*See accompanying notes and schedules to financial statements*

Signed on behalf of Greenrock

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Executive Member

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Executive Member

**GREENROCK**

## Statement of Operations and Changes in Fund Balances

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|  | <u>2010</u>   | <u>2009</u>   |
|--|---------------|---------------|
| <b>Revenues</b>                                  |               |               |
| Donations (Note 5)                               | \$ 40,517     | \$ 102,817    |
| Special events - Earth Hour Event (Schedule 1)   | <u>37,500</u> | <u>82,850</u> |
|  | 78,017        | 185,667       |
|  | <hr/>         | <hr/>         |
| Campaigns  |               |               |
| Healthy Harvest Campaign (Schedule 4)            | 21,318        | -             |
| School Roadshow Campaign (Note 3 and Schedule 5) | 7,637         | -             |
| BYOB PSA Campaign (Schedule 3)                   | -             | 1,005         |
| General Public Service Campaigns (Schedule 2)    | <u>-</u>      | <u>2,000</u>  |
|  | 28,955        | 3,005         |
| Other revenues                                   |               |               |
| Interest income                                  | -             | 317           |
| Other  | <u>183</u>    | <u>30</u>     |
|  | 183           | 347           |
|  | <hr/>         | <hr/>         |
| Total revenues                                   | 107,155       | 189,019       |
|  | <hr/>         | <hr/>         |
| <b>Expenses</b>                                  |               |               |
| Special events                                   |               |               |
| Earth Hour Event (Schedule 1)                    | <u>36,069</u> | <u>60,401</u> |
|  | 36,069        | 60,401        |
|  | <hr/>         | <hr/>         |
| Campaigns  |               |               |
| Healthy Harvest Campaign (Schedule 4)            | 21,318        | -             |
| School Roadshow Campaign (Schedule 5)            | 7,637         | -             |
| BYOB PSA Campaign (Schedule 3)                   | 6,235         | -             |
| General Public Service Campaigns (Schedule 2)    | <u>3,420</u>  | <u>9,361</u>  |
|  | 38,610        | 9,361         |
|  | <hr/>         | <hr/>         |

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**GREENROCK**

## Statement of Operations and Changes in Fund Balances (continued)

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|   | <u>2010</u>    | <u>2009</u>   |
|---|----------------|---------------|
| <b>Expenses</b> (continued)                   |                |               |
| Administrative assistant                      | 11,456         | 8,435         |
| Audit fees                                    | 13,550         | 20,000        |
| Event costs                                   | 3,826          | -             |
| Advertising                                   | 3,182          | -             |
| Other   | 2,705          | -             |
| Telephone                                     | 2,474          | 2,654         |
| Meeting and conference expense                | 1,762          | 1,913         |
| Awards  | 1,500          | -             |
| Professional fees                             | 1,360          | -             |
| Website development (Note 4)                  | 1,217          | 2,333         |
| Bank charges                                  | 376            | 89            |
| Printing and supplies                         | -              | 1,213         |
| Moderator fees                                | -              | 750           |
| Miscellaneous                                 | <u>(946)</u>   | <u>198</u>    |
|   | 42,462         | 37,585        |
|   | <hr/>          | <hr/>         |
| Total expenses                                | 117,141        | 107,347       |
|   | <hr/>          | <hr/>         |
| (Deficiency) excess of revenues over expenses | (9,986)        | 81,672        |
| Fund balance, beginning of year               | <u>129,866</u> | <u>48,194</u> |
|   | <hr/>          | <hr/>         |
| Fund balance, end of year                     | \$ 119,880     | \$ 129,866    |
|   | <hr/>          | <hr/>         |

*See accompanying notes and schedules to financial statements*

**GREENROCK**

## Statement of Cash Flows

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|   | <u>2010</u>       | <u>2009</u>       |
|---|-------------------|-------------------|
| <b>Cash flows from operating activities</b>                 |                   |                   |
| (Deficiency) excess of revenues over expenses               | \$ (9,986)        | \$ 81,672         |
| Adjustments for:  |                   |                   |
| Accounts receivable   | (28,567)          | (1,500)           |
| Other assets  | (5,081)           | -                 |
| Prepaid expenses  | (303)             | -                 |
| Accounts payable  | 4,031             | 828               |
| Deferred contributions                                      | <u>15,123</u>     | <u>(750)</u>      |
| Net cash (used in) provided by operating activities         | <u>(24,783)</u>   | <u>80,250</u>     |
| <b>Net (decrease) increase in cash and cash equivalents</b> | (24,783)          | 80,250            |
| <b>Cash and cash equivalents at beginning of year</b>       | <u>152,575</u>    | <u>72,325</u>     |
| <b>Cash and cash equivalents at end of year</b>             | \$ <u>127,792</u> | \$ <u>152,575</u> |
| <b>Represented by:</b>                                      |                   |                   |
| Cash  | \$ 92,358         | \$ 117,141        |
| Term deposit  | <u>35,434</u>     | <u>35,434</u>     |
|   | \$ <u>127,792</u> | \$ <u>152,575</u> |

*See accompanying notes and schedules to financial statements*

# GREENROCK

Notes to Financial Statements

June 30, 2010

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## 1. Purpose of the organisation

Greenrock was established on July 14, 2004 and is registered under the Bermuda Charities Act 1978. The organisation was originally called The Greenrock Project. Its name was changed to Greenrock on October 1, 2007.

Established as a non-profit organisation, Greenrock is working to empower individuals and companies to do their part in making Bermuda socially, economically and environmentally more sustainable for future generations.

## 2. Significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Bermuda and Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 reporting period. Actual results could differ from those estimates. The following are the significant accounting policies adopted by Greenrock:

### a) Revenue recognition

Greenrock follows the deferral method of accounting for contributions which include donations and government grants. 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. Externally restricted contributions are deferred and recognised as revenue in the year in which the related expenses are recognised.

Revenue from the sale of merchandise is recognised at the time of sale. Membership fees are recognised as revenue in the period in which they are received. Revenues from special events and campaigns are recognised when the corresponding event or campaign takes place. All other income is recognised on the accruals basis when earned.

### b) Donated services

Greenrock records the value of donated goods and services at fair value when the fair value can be reasonably estimated and the goods and services are normally purchased and would be paid for if not donated. Because of the difficulty of determining their value, contributed services of volunteers are not recognised in these financial statements.

### c) Cash and cash equivalents

Cash and cash equivalents include demand deposits and deposits held with financial institutions with an original maturity of 90 days or less. The effective interest rate on term deposits ranged between 0% to 1.94% per annum.

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## GREENROCK

Notes to Financial Statements

June 30, 2010

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### 2. Significant accounting policies (continued)

#### d) Financial instruments

Greenrock's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. Cash and cash equivalents are classified as held for trading financial assets and are measured at fair value at the end of the year. Accounts receivable are classified as loans and receivables financial assets and are measured at amortised cost using the effective interest method, less any adjustment for impairment. Changes in fair value and interest income are included in the statement of operations and changes in fund balances. Accounts payable are classified as other financial liabilities and are measured at amortised cost using the effective interest method.

#### e) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the balance sheet date. Transactions in foreign currencies during the period are translated at the rate of exchange prevailing on the respective dates of such transactions. Exchange gains and losses are included in the statement of operations and changes in fund balance.

#### f) Accounting changes

In September 2008, the Canadian Accounting Standards Board ("AcSB") issued amendments to Handbook Section 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 Greenrock's fiscal year commencing July 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*. As explained in Note 8 Greenrock has presented certain income and expense items on a gross basis this year in order to conform with Section 4400. These items were previously reported on a net basis. There have been no other changes to Greenrock's financial statements as a result of these amendments.

#### g) Future changes in accounting framework

In December 2010 the Canadian Accounting Standards Board issued new accounting standards for not-for-profit organisations as Part III of the CICA Handbook effective for accounting periods beginning on or after January 1, 2012. Greenrock will adopt these new standards for its June 30, 2013 financial statements and does not anticipate any significant changes to the current accounting policies as a result.

### 3. Deferred contributions

Deferred contributions relate to expenses of future periods and represent unspent externally restricted grants and donations for specific projects.

|                 | Opening deferred<br><u>contributions</u> | Contributions<br><u>received</u> | Recognised<br><u>as revenue</u> | Ending deferred<br><u>contributions</u> |
|-----------------|--|----------------------------------|---------------------------------|---|
| School Roadshow | \$ 19,350                                | \$ 10,000                        | \$ 7,637                        | \$ 21,713                               |
| Healthy Harvest | <u>—</u>                                 | <u>34,078</u>                    | <u>21,318</u>                   | <u>12,760</u>                           |
|                 | <u>\$ 19,350</u>                         | <u>\$ 44,078</u>                 | <u>\$ 28,955</u>                | <u>\$ 34,473</u>                        |

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# GREENROCK

Notes to Financial Statements

June 30, 2010

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## 4. **Related party transactions**

During the year, Greenrock incurred expenses totaling \$nil (2009 - \$2,245) for website maintenance provided by a member of the Greenrock management committee. A balance of \$nil (2009 - \$2,245) is included in accounts payable at year-end.

During the year, \$nil (2009 - \$1,200) was paid to a member of the Greenrock management committee, for a silent auction prize relating to the Earth Hour event.

## 5. **Donations**

Included in donations are audit fees for the year ended June 30, 2010 of \$11,600 (2009 - \$20,000) and telephone charges of \$2,474 (2009 - \$2,391) which represent the fair value of donated services provided to Greenrock.

## 6. **Financial assets and financial liabilities**

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values because of the relatively short period to maturity of the instruments.

Greenrock is not exposed to any significant credit risk, liquidity risk or market risk.

## 7. **Capital management**

Greenrock defines capital, for its own purpose, as the cumulative operating fund balance. During the fiscal year 2010, Greenrock's objective when managing capital, which was unchanged from the prior year, was to hold sufficient funds to enable it to withstand negative unexpected financial events and continue as a going concern. Greenrock seeks to achieve this objective by minimising its exposure to financial leverage and variable financial obligations and by holding cash and term deposits to maintain liquidity to enable it to meet its obligations as they become due. As at June 30, 2010, Greenrock's accumulated fund balance amounted to \$119,880 (2009 - \$129,866). Greenrock is not subject to any externally imposed requirements on capital.

## 8. **Comparative figures**

Certain comparative figures for the year ended June 30, 2010 have been reclassified to conform with presentations adopted in the current year. Specifically events income, campaign income and corresponding expenses previously presented on a net basis have been shown as gross income and expenses in the statement of operations and changes in fund balances.

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## Earth Hour Event – Statement of Revenues and Expenses

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|   | <u>2010</u>     | <u>2009</u>      |
|---|-----------------|------------------|
| <b>Revenues</b>                         |                 |                  |
| Donations                               | \$ 37,500       | \$ 66,000        |
| Silent auction revenue                  | <u>–</u>        | <u>16,850</u>    |
|   | <u>37,500</u>   | <u>82,850</u>    |
| <b>Expenses</b>                         |                 |                  |
| Advertising                             | 28,367          | 41,075           |
| Other                                   | 3,952           | 735              |
| Dinner/event costs                      | 3,750           | 15,391           |
| Silent auction prizes                   | <u>–</u>        | <u>3,200</u>     |
|   | <u>36,069</u>   | <u>60,401</u>    |
| <b>Excess of revenues over expenses</b> | <u>\$ 1,431</u> | <u>\$ 22,449</u> |

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## General Public Service Campaigns - Statement of Revenues and Expenses

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|   | <u>2010</u>       | <u>2009</u>       |
|---|-------------------|-------------------|
| <b>Revenues</b>                             |                   |                   |
| Donations                                   | \$ -              | \$ 2,000          |
| <b>Expenses</b>                             |                   |                   |
| Advertising                                 | 2,699             | 9,361             |
| Gifts & Donations                           | <u>721</u>        | <u>-</u>          |
| <b>Deficiency of revenues over expenses</b> | <u>\$ (3,420)</u> | <u>\$ (7,361)</u> |

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## BYOB PSA Campaign - Statement of Revenues and Expenses

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|  | <u>2010</u>       | <u>2009</u>     |
|--|-------------------|-----------------|
| <b>Revenues</b>                                      |                   |                 |
| Donations  | \$ -              | \$ 1,005        |
| <b>Expenses</b>                                      |                   |                 |
| Advertising  | <u>6,235</u>      | <u>-</u>        |
| <b>(Deficiency)/excess of revenues over expenses</b> | <u>\$ (6,235)</u> | <u>\$ 1,005</u> |

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## Healthy Harvest Campaign - Statement of Revenues and Expenses

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|   | <u>2010</u>   | <u>2009</u> |
|---|---------------|-------------|
| <b>Revenues</b>                         |               |             |
| Donations                               | \$ 21,318     | \$ -        |
| <b>Expenses</b>                         |               |             |
| Advertising                             | 15,922        | -           |
| Event costs                             | 1,052         | -           |
| Printing                                | 4,290         | -           |
| Other                                   | <u>54</u>     | <u>-</u>    |
|   | 21,318        | -           |
|   | <u>21,318</u> | <u>-</u>    |
| <b>Excess of revenues over expenses</b> | <u>\$ -</u>   | <u>\$ -</u> |

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## School Roadshow Campaign - Statement of Revenues and Expenses

Year ended June 30, 2010

*(Expressed in Bermuda Dollars)*

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|   | <u>2010</u>  | <u>2009</u> |
|---|--------------|-------------|
| <b>Revenues</b>                         |              |             |
| Donations                               | \$ 7,637     | \$ -        |
| <b>Expenses</b>                         |              |             |
| Personnel costs                         | <u>7,637</u> | <u>-</u>    |
| <b>Excess of revenues over expenses</b> | <u>\$ -</u>  | <u>\$ -</u> |

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