

DAVID MCANTONY GIBSON FOUNDATION

FINANCIAL STATEMENTS

MAY 31, 2011

GRANATSTEIN | LUSTHOUSE | MAR LLP
CHARTERED ACCOUNTANTS

Beyond the bottom line.

David McAntony Gibson Foundation

MAY 31, 2011

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REVIEW ENGAGEMENT REPORT

To the Board of Directors of
David McAntony Gibson Foundation

We have reviewed the statement of financial position of **David McAntony Gibson Foundation** as at May 31, 2011 and the statements of changes in net assets, operations and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Granatstein Lusthouse Mar LLP

Granatstein Lusthouse Mar LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
September 9, 2011

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David McAntony Gibson Foundation

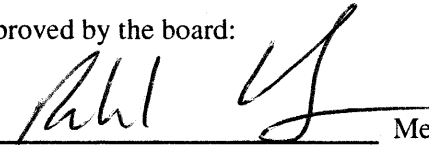
**STATEMENT OF FINANCIAL POSITION
AS AT MAY 31
(unaudited)**

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 322,089	\$ 260,119
Accounts receivable	20,400	5,252
	342,489	265,371
INVESTMENTS (note 3)	114,553	108,917
PROPERTY, PLANT AND EQUIPMENT (note 4)	86,322	161,322
	\$ 543,364	\$ 535,610

LIABILITY AND FUND BALANCES

CURRENT		
Accounts payable and accrued liabilities	\$ 5,696	\$ 26,566
BALANCE	537,668	509,044
	\$ 543,364	\$ 535,610

Approved by the board:



Member

David McAntony Gibson Foundation

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MAY 31
(unaudited)

	2011	2010
BALANCE, BEGINNING	\$ 509,044	\$ 359,521
Excess of revenues over expenditures	28,624	149,523
BALANCE, ENDING	\$ 537,668	\$ 509,044

David McAntony Gibson Foundation

STATEMENT OF OPERATIONS YEAR ENDED MAY 31 (unaudited)

	2011	2010
REVENUES (note 5)		
Donations	\$ 922,574	\$ 664,881
Government grants	535,000	-
Fundraising	11,743	10,232
Interest income	6,250	8,890
Other income	4,981	-
Gifts	1,479	18,429
	<hr/> 1,482,027	<hr/> 702,432
EXPENDITURES		
Disaster Response	1,231,442	371,725
Capacity Building	93,677	4,657
Donations of Goods in Kind	47,206	115,551
Rapid Response Team	41,172	7,847
Miscellaneous	26,972	11,811
Amortization	12,934	15,000
	<hr/> 1,453,403	<hr/> 526,591
EXCESS OF REVENUES OVER EXPENDITURES BEFORE UNDERNOTED ITEM	28,624	175,841
OTHER EXPENSE		
Loss on sale of property, plant and equipment (note 4)	-	26,318
EXCESS OF REVENUES OVER EXPENDITURES	\$ 28,624	\$ 149,523

David McAntony Gibson Foundation

**CASH FLOW
YEAR ENDED MAY 31
(unaudited)**

	2011	2010
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 28,624	\$ 149,523
Adjustments for		
Amortization	12,934	15,000
Loss on disposal of property, plant and equipment	133,041	26,318
	174,599	190,841
Change in non-cash working capital items		
Increase in accounts receivable	(15,148)	(5,252)
(Decrease) increase in accounts payable and accrued liabilities	(20,870)	26,567
	138,581	212,156
INVESTING ACTIVITIES		
Purchase of investments	(5,636)	(5,560)
Purchase of property, plant and equipment	(70,975)	(176,323)
Proceeds on disposal of property, plant and equipment	-	(26,318)
	(76,611)	(208,201)
INCREASE IN CASH	61,970	3,955
CASH, beginning of	260,119	256,164
CASH, end of	\$ 322,089	\$ 260,119

David McAntony Gibson Foundation

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2011

(unaudited)

1. NATURE OF OPERATIONS

David McAntony Gibson Foundation ("Foundation"), was registered as a charitable organization on June 1, 2002 under the Canada Corporations Act. The Foundation created in the Spring of 1998 in honour of David McAntony Gibson, who tragically lost his life on February 7, 1998. In keeping with David's spirit, the Foundation is designed to help those in need around the world by providing relief supplies and equipment, and has adopted "Serving the Global Community" as its motto. The Foundation leads programs designed to strengthen the delivery of emergency medical services in the Third World as well as providing emergency relief to those Nations affected by natural disasters and complex emergencies. These objectives are obtained by the procurement of equipment, medicine, supplies, and funding the delivery of training packages as well as empowering the emergency response capacity of organizations and communities in developing countries. The Foundation strives to be an efficient aid agency that delivers the maximum amount of aid with a minimum operating cost.

The Foundation is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity, the Foundation must meet certain requirements. In the opinion of management, these requirements have been met.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Property, plant and equipment

Property, plant and equipment are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Equipment	20% Declining balance
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Additions during the year are amortized at half the normal rate.

(b) Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

David McAntony Gibson Foundation

NOTES TO THE FINANCIAL STATEMENTS MAY 31, 2011 (unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Foreign exchange

Monetary assets and liabilities of the Foundation which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

(d) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The amount recorded for the amortization of the capital assets are based on estimates of usage, manufacturer's representations, future costs, and other applicable factors. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements of future years could be material.

(e) Revenue recognition

The Foundation recognizes contributions as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants are recognized as revenue in the year in which related eligible expenses are incurred.

Gifts-in-Kind ("GIK") are valued at 100% of their estimated fair market values. Invoices must be provided by the donor at the time of the donation. If there is no invoice provided the donation will not be accepted. All invoices are assessed for reasonableness. GIK are recorded as revenue at such time the Foundation takes possession of the contribution. GIK are recorded as an expense at such time as the goods are deployed for charitable purposes.

Investment income, which includes interest income on bank accounts and long-term investments and gains (losses) on foreign currency accounts, is recognized as revenue when earned.

3. INVESTMENTS

Effective January 1, 2007, the Foundation adopted the new CICA accounting standards on "Financial Instruments - Recognition and Measurement" (CICA Handbook Section 3855).

Investments in short-term securities, bonds, and equities are classified as either held-for-trading or available-for-sale based on management's intention.

Available-for-sale assets include securities that may be sold in response to or in anticipation of

David McAntony Gibson Foundation

NOTES TO THE FINANCIAL STATEMENTS MAY 31, 2011 (unaudited)

3. INVESTMENTS, continued

changes in interest rates, changes in foreign currency risk, changes in funding sources, or to meet liquidity needs. Available-for-sale securities are carried at estimated fair value. Realized gains and losses are recognized as investment income in the year in which they occur. Unrealized gains and losses on available-for-sale securities are recognized in the statement of changes in fund balance.

Held-for-trading assets which are purchased for sale in the near term, are reported at estimated fair value. Realized and unrealized gains and losses are recognized as investment income as they arise.

Held-to-maturity assets, which include assets with fixed or determinable payments and fixed maturity that the Foundation has the positive intention and ability to hold to maturity, are reported at amortized cost using the effective interest method. Gains and losses are recognized as investment income when the asset is derecognized.

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities:

Cash, accounts receivable, accounts payable and accrued liabilities:

The carrying amount of each item in this class is comparable to its fair value due to the approaching maturity of these financial instruments. Cash is designated as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables which are measured at amortized cost. Accounts payable and accrued liabilities are classified as liabilities and are also measured at amortized cost.

Investments:

Investments are classified as held-for-trading financial assets. They are measured at fair value, determined on the basis of market value. Investments in Term Deposits with maturity dates greater than 1 year are classified as long-term investments and classified as held-for-trading. The Foundation has a GIC which matures on October 15, 2013 and carries an annual interest of 5.35%. This security has a market value of \$108,917 (2009 - \$103,357). The GIC will have a guaranteed value of \$129,787.58 at maturity.

4. PROPERTY, PLANT AND EQUIPMENT

The Foundation purchased, during the course of normal operations, nine inflatable mobile hospitals for deployment in humanitarian missions abroad. During the fiscal year, the Foundation disposed of two of inflatable hospitals in countries where missions had ended. The disposals of the hospitals resulted in a loss of \$133,041 in 2011 compared to a loss of \$26,318 in 2010. Due to the nature of the loss, the amount \$133,041 was recorded as a expense item in the disaster response for the fiscal year 2011.

David McAntony Gibson Foundation

NOTES TO THE FINANCIAL STATEMENTS MAY 31, 2011 (unaudited)

4. PROPERTY, PLANT AND EQUIPMENT, continued

	2011	2010		
	Cost	Accumulated amortization	Net	Net
Equipment	\$ 114,256	\$ 27,934	\$ 86,322	\$ 161,322

5. REVENUES

The Foundation allocated the revenues contributed during fiscal 2011 according to the type of donations or grants it received during the year.

	2011	2010
Haiti Mission	\$ 279,579	\$ 407,038
Sri Lanka Mission	-	50,934
Philippines Mission	-	45,299
Cambodia Mission	144	24,277
Pakistan Mission	776,390	18,317
Chile Mission	-	2,368
Indonesia Mission	-	331
St.Lucia Mission	6,823	-
Japan Mission	225,682	-
Wellesley	19	-
	1,288,637	548,564
Goods-In-Kind (GIK)	47,206	115,551
RRT	3,857	-
General Donations	123,658	24,755
Investment Income	6,250	8,890
Properly Tax Rebate	3,069	4,672
Other Income	9,350	-
	\$ 1,482,027	\$ 702,432

6. ECONOMIC DEPENDENCE

David McAntony Gibson Foundation generates the majority of its revenues from its ten largest donors. The ten largest donors contributed \$632,275 in 2011 while contributed \$301,427 in 2010, which represents 42.66% in 2011 and 42.91% in 2010 of total revenue in these two years.

David McAntony Gibson Foundation

NOTES TO THE FINANCIAL STATEMENTS MAY 31, 2011 (unaudited)

7. COMMITMENTS

As at May 31, 2011, the company has outstanding commitments with respect to their rent lease agreement. The lease agreement states that the Foundation is obliged to pay the property taxes and utility fees of the leased commercial space at 20 Claireport Crescent, Unit 9, Toronto, Ontario. The owner of the building is Rahul Singh, Director of the Foundation. The lease term expires January 1, 2012. As per discussions, with the owner, the lease is to be renewed.