

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

FINANCIAL STATEMENTS

MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of House of Lazarus Matilda Resource Centre Inc.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of House of Lazarus Matilda Resource Centre Inc. (the "Centre"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Centre derives revenue from donations and the sale of donated goods, 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. Therefore, we were not able to determine whether any adjustments might be necessary to donation, fundraising and thrift shop revenues, excess of revenue over expenses and cash flows from operations for the years ended March 31, 2025 and March 31, 2024, current assets as at March 31, 2025 and March 31, 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. The audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Canada, 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 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 Canadian accounting standards for not-for-profit organizations, and for such internal control and 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, 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 my 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.



PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

Authorized to Practise Public Accounting by the
Chartered Professional Accountants of Ontario

Prescott, Ontario
June 25, 2025

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.**STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31**

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash - Unrestricted | \$ 260,620 | \$ 360,615 |
| Cash - Restricted - Note 2 | 4,797 | 2,512 |
| Investments - Note 3 | 74,813 | 439,581 |
| Accounts Receivable - Note 4 | 720 | 38,910 |
| HST Rebate Receivable | 71,046 | 15,230 |
| Prepaid Expenses | <u>7,226</u> | <u>7,467</u> |
| | <u>419,222</u> | <u>864,315</u> |
| CAPITAL ASSETS - Note 5 | <u>1,081,483</u> | <u>488,023</u> |
| TOTAL ASSETS | <u>\$ 1,500,705</u> | <u>\$ 1,352,338</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | \$ 30,896 | \$ 14,345 |
| Client Deposits - Restricted - Note 2 | 4,797 | 2,512 |
| Payroll Payables | 18,994 | 16,551 |
| Deferred Funding Revenue - Note 6 | 161,067 | 229,871 |
| Deferred Capital Contributions - Note 7 | <u>134,158</u> | <u>3,000</u> |
| | <u>349,912</u> | <u>266,279</u> |
| TOTAL LIABILITIES | 349,912 | 266,279 |
| NET ASSETS | <u>1,150,793</u> | <u>1,086,059</u> |
| | <u>\$ 1,500,705</u> | <u>\$ 1,352,338</u> |

The accompanying notes are an integral part of these financial statements.
2025-06-25

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| REVENUES | | |
| Grants and Specific Donations | \$ 384,909 | \$ 303,202 |
| Thrift Shop Sales | 719,988 | 669,327 |
| Donations and Other | 443,577 | 324,415 |
| Fundraising | 30,736 | 44,787 |
| Investment Income | 14,547 | 9,210 |
| Contributed Services - Note 2 | 42,000 | 38,500 |
| Insurance Proceeds - Note 8 | - | 115,862 |
| Unrealized Gain on Investments | 3,824 | 1,794 |
| Amortization of Deferred Contributions | 1,500 | 104,175 |
| Gain on Disposal of Capital Asset | - | 243,058 |
| | <u>1,641,081</u> | <u>1,854,330</u> |
| EXPENDITURES | | |
| Salaries, Wages and Benefits | 950,104 | 743,997 |
| Advertising | 1,020 | 402 |
| Amortization | 17,562 | 18,100 |
| Bank Charges, Interest and Fees | 9,918 | 8,882 |
| Fundraising | 8,248 | 5,511 |
| Insurance | 10,143 | 13,473 |
| Meetings | 3,441 | 3,724 |
| Memberships and Licenses | 1,874 | 2,144 |
| Office | 9,660 | 9,060 |
| Professional Fees | 23,420 | 18,115 |
| Programs | 406,267 | 305,297 |
| Property Taxes | 2,940 | 3,567 |
| Rent - Note 2 | 48,975 | 44,900 |
| Repairs and Maintenance | 45,357 | 82,830 |
| Travel | 894 | 5,240 |
| Training | 3,558 | 3,809 |
| Telecommunications | 5,293 | 3,391 |
| Utilities | 27,673 | 19,972 |
| | <u>1,576,347</u> | <u>1,292,414</u> |
| REVENUES OVER EXPENDITURES | 64,734 | 561,916 |
| NET ASSETS - Beginning of Year | <u>1,086,059</u> | <u>524,143</u> |
| NET ASSETS - End of Year | <u>\$ 1,150,793</u> | <u>\$ 1,086,059</u> |

The accompanying notes are an integral part of these financial statements.
2025-06-25

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31**

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Revenues Over Expenditures | \$ 64,734 | \$ 561,916 |
| Non-Cash Items: | | |
| Amortization | 17,562 | 18,100 |
| Unrealized Loss (Gain) on Investments | 2,491 | (1,794) |
| Gain on Disposal of Capital Assets | <u>-</u> | <u>(243,058)</u> |
| | <u>84,787</u> | <u>335,164</u> |
| Changes in Non-Cash Items Related to Operating Activities: | | |
| Accounts Receivable | 38,190 | (34,351) |
| HST Receivable | (55,816) | (8,556) |
| Prepaid Expenses | 241 | (55) |
| Accounts Payable and Accrued Liabilities | 16,552 | (16,484) |
| Client Deposits | (1,142) | 294 |
| Payroll Payables | 2,443 | (21,270) |
| Deferred Revenue | <u>(65,377)</u> | <u>48,653</u> |
| | <u>(64,909)</u> | <u>(31,769)</u> |
| Net Cash Flow Provided By Operating Activities | <u>19,878</u> | <u>303,395</u> |
| INVESTING ACTIVITIES | | |
| Purchase of Capital Assets | (611,022) | - |
| Redemption (Purchase) of Investment | 362,276 | (377,806) |
| Insurance Proceeds for Loss of Food Bank | <u>-</u> | <u>416,294</u> |
| Net Cash Flow (Used) Provided By Investing Activities | <u>(248,746)</u> | <u>38,488</u> |
| FINANCING ACTIVITIES | | |
| Long Term Debt Repayments | - | (339,000) |
| Deferred Capital Contributions | <u>131,158</u> | <u>(104,175)</u> |
| Net Cash Flow Provided (Used) By Financing Activities | <u>131,158</u> | <u>(443,175)</u> |
| NET DECREASE IN CASH | (97,710) | (101,292) |
| CASH, Beginning Of Year | <u>363,127</u> | <u>464,419</u> |
| CASH, End Of Year | <u>\$ 265,417</u> | <u>\$ 363,127</u> |
| REPRESENTED BY: | | |
| Cash - Unrestricted | \$ 260,620 | \$ 360,615 |
| Cash - Restricted | <u>4,797</u> | <u>2,512</u> |
| Total | <u>\$ 265,417</u> | <u>\$ 363,127</u> |

The accompanying notes are an integral part of these financial statements.
2025-06-25

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31

1. **STATUS AND PURPOSE OF THE ORGANIZATION**

House of Lazarus Matilda Resource Centre Inc. (the "Centre") was incorporated without share capital under the Corporations Act (Ontario). The Centre's principal activity is to provide emergency food, used clothing, counselling, public awareness, support groups and other programs to area residents. The Centre is a registered charity under the Income Tax Act (the "Act") 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 under the Act, the Centre must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. **SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of the Canadian generally accepted accounting principals, and include the following significant policies:

(a) **Revenue Recognition**

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions received for specific programs (see Note 6) are recognized when the funds are disbursed for program expenses. The unrecognized amount is recorded as deferred contributions.

Government grants are recorded when there is a reasonable assurance that the Centre has complied with, and will continue to comply with, all the necessary conditions to obtain the grants.

Thrift shop and other sales are recognized as they occur, being point-of-sale in nature.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue using amortization methods and rates corresponding with the amortization methods and rates used for the related capital assets.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents include balances with banks. Short term investments of less than 90 days, when used, are included with cash.

(c) **Restricted Cash and Client Deposits**

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. The Places for People program holds 5% of tenants' payments for their use in emergency situations or in achieving specific financial goals, and represents the balances for restricted cash and client deposits as of March 31, 2025 and March 31, 2024.

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31

2. **SIGNIFICANT ACCOUNTING POLICIES** - (Cont'd)

(d) Investments

Investments are measured at fair value. Any changes in fair value are recorded immediately in the excess of revenues over expenses.

(e) Contributed Materials and Services

The financial statements do not account for the value of donated materials and services received by the Centre except for donated capital assets which are recorded at fair value.

The Centre recognizes in the financial statements contributions of materials and services, both as contributions and expenses, in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Centre's operations and would otherwise have been purchased. In 2025, the Centre was forced to relocate its Food Bank due to a fire (see Note 8) and received use of a location rent-free. The fair market value of this rent would have been \$3,500/month and amounts to \$42,000 on the statement of operations. In 2024, there was \$38,500 of contributed rent.

(f) Capital Assets

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Repairs and maintenance costs are expensed. Betterments extending the estimated life of an asset are capitalized.

Amortization is calculated using the declining balance and straight-line methods at rates intended to mirror the asset's cost less salvage value over their estimated useful lives, using the following annual rates:

| | |
|------------------------|----------------------|
| Buildings | 4% Declining Balance |
| Vehicle | 5 year Straight-Line |
| Furniture and Fixtures | 5 year Straight-Line |
| Leasehold Improvements | 8% Declining Balance |

(g) Financial Instruments

The Centre measures its financial instruments when the Centre becomes party to the contractual provisions of the financial instrument.

Financial instruments originated/acquired or issued/assumed in an arm's length transaction are initially recorded at their fair value. At initial recognition, the Centre may irrevocably elect to subsequently measure an arm's length financial instrument at fair value. The Centre has made such an election during the year.

The Centre subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31

2. **SIGNIFICANT ACCOUNTING POLICIES** - (Cont'd)

(g) Financial Instruments - (Cont'd)

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(h) Financial Asset Impairment

The Centre assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Centre determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Centre reduces the carrying amount of any impaired financial assets to the highest of the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment which is not considered temporary is included in the current year excess (deficiency) of revenues over expenditures.

The Centre reverses impairment losses on financial assets when there is a decrease in impairment and it can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized and the excess (deficiency) of revenues over expenditures in the year the reversal occurs.

(i) Measurement Uncertainty (Use of Estimates)

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Estimates are used when accounting for the determination of the useful lives of capital assets. Actual results could differ from these estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Revenue is recognized based on the estimated program expenses incurred. Accruals are estimated based on the payments made subsequent to year end. The valuation of contributed assets is based on third party valuations.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the current year revenues (under) over expenditures.

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31

3. INVESTMENTS

Investments consist of cash held for investment, equities recorded at fair value, and guaranteed investment certificates (GICs). Investments are recorded as short term due to the ability of the Centre to dispose of the equities at any time and the GICs are maturing in the next fiscal year.

| | <u>2025</u> | <u>2024</u> |
|---|------------------|-------------------|
| Measured at Fair Value: | | |
| Cash | \$ 28,088 | \$ 12,682 |
| Equities | 46,725 | 55,971 |
| GIC, locked-in, 4.50%, matured September 2, 2024 | - | 15,068 |
| GIC, redeemable, 4.75%, matured November 25, 2024 | <u>-</u> | <u>355,860</u> |
| | <u>\$ 74,813</u> | <u>\$ 439,581</u> |

4. ACCOUNTS RECEIVABLE

| | <u>2025</u> | <u>2024</u> |
|--|---------------|------------------|
| Accounts Receivable | \$ 720 | \$ 798 |
| Insurance Proceeds Receivable - Note 8 | <u>-</u> | <u>38,112</u> |
| | <u>\$ 720</u> | <u>\$ 38,910</u> |

5. CAPITAL ASSETS

| | <u>2025</u> | <u>2024</u> | | |
|-------------------------|---------------------|-------------------------------------|---------------------|-------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net</u> | <u>Net</u> |
| Land | \$ 159,238 | \$ - | \$ 159,238 | \$ 159,238 |
| Building | 1,037,710 | 125,709 | 912,001 | 313,520 |
| Vehicle | 7,500 | 6,000 | 1,500 | 3,000 |
| Furniture and Equipment | 48,357 | 41,674 | 6,683 | 10,025 |
| Leasehold Improvements | <u>6,413</u> | <u>4,352</u> | <u>2,061</u> | <u>2,240</u> |
| | <u>\$ 1,259,218</u> | <u>\$ 177,735</u> | <u>\$ 1,081,483</u> | <u>\$ 488,023</u> |

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31

6. DEFERRED CONTRIBUTIONS

Contributions received for specific programs are restricted for use on the applicable projects for which funding was received. Unspent restricted contributions are deferred. Changes in deferred contributions related to expenses of future periods are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Balance, Beginning of Year | \$ 229,871 | \$ 180,729 |
| Restricted Program Contributions Received | 417,829 | 282,892 |
| Fire Recovery Income - Note 8 | - | 85,720 |
| Contributions Deferred as Capital Contributions | (85,720) | - |
| Contributions Recognized as Revenue | <u>(400,913)</u> | <u>(319,470)</u> |
| Balance, End of Year | <u>\$ 161,067</u> | <u>\$ 229,871</u> |

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognitions of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|-------------------|------------------|
| Balance, Beginning of Year | \$ 3,000 | \$ 107,176 |
| Amount Received for Food Bank Rebuild | 132,658 | - |
| Contributions Recognized as Revenue | <u>(1,500)</u> | <u>(104,176)</u> |
| Balance, End of Year | <u>\$ 134,158</u> | <u>\$ 3,000</u> |

8. SIGNIFICANT EVENT

On April 25, 2023, the Centre suffered a fire at its Food Bank building in South Mountain, Ontario. This event has caused significant changes to the Centre's financial position and operations.

The Centre had received insurance proceeds for the building in excess of its original cost, resulting in a gain on disposal that was recorded in the prior fiscal year. It had also triggered the realization of related deferred capital asset funding in the 2024 fiscal year. As of March 31, 2024, there were receivable insurance proceeds for business interruption costs which were received in the current 2025 fiscal year, and insurance proceeds covering building contents and business disruption were recognized as 2024 revenue.

The Centre has taken measures to mitigate the effects of the event, and is in the end stages of rebuilding in South Mountain, Ontario. Donations and specific grants towards the rebuild have been deferred as they related to a capital asset under construction. Under the matching principal, these amounts will be recognized as revenue at the same amortization rate used for the building as it depreciates.

HOUSE OF LAZARUS MATILDA RESOURCE CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31

9. **FINANCIAL INSTRUMENTS**

The Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Centre is not exposed to significant interest or currency risks arising from these financial instruments unless otherwise disclosed.

Liquidity Risk

Liquidity risk is the risk that the Centre will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Centre's cash requirements.

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 is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value of accounts receivable on the statement of financial position. Accounts receivable or non-interest bearing and are generally due in 30 to 60 days.

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 of three types of risk: currency risk, interest risk, and other price risk. The Centre is exposed mainly to interest rate and other price risk, noted below.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre's main interest rate risk relates to its short term investments and bank overdraft when used.

b) Other Price Risk

Other price risk is the risk that the fair value or a future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Centre's investments in equity funds expose the Centre to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.