

HANDS IN SERVICE

Balance Sheet

December 31, 2018

(Unaudited)

	2018	2017
ASSETS		
CURRENT		
Cash (Note 5)	\$ 83,464	\$ 128,394
Restricted funds	159,554	-
Other assets	-	9,203
Income taxes recoverable	1,574	916
Deposit on dental van	100,000	-
	<u>\$ 344,592</u>	<u>\$ 138,513</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Restricted funds	\$ 159,554	\$ 44,207
RETAINED EARNINGS	<u>185,038</u>	<u>94,306</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 344,592</u>	<u>\$ 138,513</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

HANDS IN SERVICE
Statement of Receipts and Disbursements
Year Ended December 31, 2018
(Unaudited)

	2018	2017 <i>NTR Prepared</i>
TRADE SALES	\$ 257,416	\$ 169,642
EXPENSES		
Salaries and wages	134,089	132,058
Rental	9,840	9,840
Fundraising costs	5,856	3,726
Travel	5,510	2,439
Sub-contracts	3,000	-
Telephone	2,607	2,876
Office	1,355	785
Professional fees	1,432	3,260
Insurance	902	1,875
Credit card charges	563	456
Advertising and promotion	504	228
Memberships	400	1,075
Miscellaneous	350	-
Meals and entertainment	255	237
Board meetings	21	53
Amortization	-	901
	166,684	159,809
OPERATING SURPLUS	\$ 90,732	\$ 9,833

HANDS IN SERVICE
Statement of Surplus
Year Ended December 31, 2018
(Unaudited)

	2018	2017 <i>NTR Prepared</i>
RETAINED EARNINGS - BEGINNING OF YEAR	\$ 94,306	\$ 84,473
OPERATING SURPLUS FOR THE YEAR	<u>90,732</u>	<u>9,833</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 185,038</u>	<u>\$ 94,306</u>

HANDS IN SERVICE
Statement of Cash Flow
Year Ended December 31, 2018
(Unaudited)

	2018	2017 <i>NTR Prepared</i>
OPERATING ACTIVITIES		
Operating surplus	\$ 90,732	\$ -
Changes in non-cash working capital:		
Other assets	9,203	-
Income taxes payable	(658)	-
Deposit on dental van	(100,000)	-
Restricted funds	115,347	-
	23,892	-
INCREASE IN CASH FLOW	114,624	-
Cash - beginning of year	128,394	-
<i>(Note 5)</i>	\$ 243,018	\$ -

HANDS IN SERVICE
Notes to Financial Statements
Year Ended December 31, 2018
(Unaudited)

1. DESCRIPTION OF OPERATIONS

Hands in Service is registered federally under the Federal Charities Act. The Society's principal operating activity is to assist those in need who may be struggling with disability, financial and social limitations.

Comparative statements are presented however, readers must know that prior years statements were not prepared under review engagement standards.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE). During the year the company adopted Canadian accounting standards for private enterprises (ASPE). These financial statements are prepared in accordance with these standards. The adoption of ASPE had no impact on retained earnings as at December 31, 2016 or loss and retained earnings or cash flow for the year ended December 31, 2017 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

Some users may require further information as these statements have not been prepared for general purposes.

HANDS IN SERVICE
Notes to Financial Statements
Year Ended December 31, 2018
(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When the company issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of \$nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

Interest rate risk

The Company's fixed rate debt is paid based on contractual terms to its maturity, and management does not consider changes in fair value to be of a significant risk; however, debts subject to renewal at maturity may be renewed at rates that differ from current rates and subsequent renewals could effect future cash flow associated with the debts.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Company's cash requirements. Additional cash requirements are met with the use of the available operating line of credit and bank borrowing under long term credit arrangements. The available operating line of credit provides short term flexibility to bridge long term financing.

Income taxes

The company uses the income taxes payable method of accounting for income taxes. Under this method, the company reports as an expense (income) of the period only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

The company recognizes revenues when they are earned, specifically when all the following conditions are met:

- upon receipt from donors
 - there is clear evidence that an arrangement exists
 - amounts are fixed or can be determined
 - the ability to collect is reasonably assured.
-

HANDS IN SERVICE
Notes to Financial Statements
Year Ended December 31, 2018
(Unaudited)

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment	\$ 4,336	\$ 4,336	\$ -	\$ -

Currently assets held are office products related in nature.

5. RESTRICTED FUNDS

	2018	2017
Restricted for operations	\$ 39,388	\$ -
Restricted for capital	120,166	-
	\$ 159,554	\$ -

Ops fund consist of \$35,000 + \$1745 Hamper Delivery + \$2643 Energenic Hands -Capital Funds consist of \$75,000 van & \$45,166 Dental Hygiene training