CANADA COMPANY

MANY WAYS TO SERVE

Annual Report 2011

Charitable Registration Number: 83851 6094 RR0001

TABLE OF CONTENTS

MESSAGE FROM THE FOUNDER **1**

GOVERNANCE **2**

OUR SUPPORTERS **3**

CONTACT US **5**

AUDITED FINANCIAL STATEMENTS: INDEPENDENT AUDITOR'S REPORT **6**

MESSAGE FROM THE FOUNDER

With chapter offices established and thriving in Quebec, Ontario, Alberta, and British Columbia, and more than 300 members from coast-to-coast, Canada Company became a truly national organization in 2011.

Among the most unique of Canada Company members' activities are events which provide a rare, first-hand taste of life in the Canadian Forces. "Captains of Industry" events at CFB Petawawa and CFB Meaford give Canada Company members unprecedented access to the experiences of Canadian soldiers training for operations, while Day Sails with the Royal Canadian Navy allow members a close-up look at the superb capabilities of a Navy fleet.

The Canada Company Camps for Children of Deployed Troops program continues to expand, with even more children attending summer getaways at camps in Ontario and Quebec. Canada Company also supported children of military families by donating to initiatives such as the Valcartier Family Centre Oasis Club for Children of Deployed Parents.

Canada Company is committed to securing fair compensation for Canadian businesses employing Reservists, appearing before the House of Commons in August to submit the Sharing the Sacrifice Reservist proposal for consideration for the 2012 Federal Budget. Although several organizations have attempted to get this included, Canada Company was the first to successfully do so.

The Canada Company Scholarship Fund, which supports post-secondary education for children who have lost a parent serving on active mission, was proud to award ten scholarships in 2011 – our highest disbursement to date.

The year drew to a close in spectacular form as Les Fleurons Glorieux provided Montreal's most influential business and community leaders an opportunity to welcome home the final rotation of Canadian Forces troops from the Afghanistan combat mission. This unforgettable evening raised an extraordinary $1 million in net revenue to support Canada Company projects.

On a personal note, in March I was honoured to be appointed Canada's first ever Honorary Colonel of the Army. In my new role I have had many opportunities to speak with senior military leaders, and I am pleased to report overwhelmingly positive feedback on the work Canada Company is doing. With assistance from our members, donors and event sponsors, we are proud to be doing more than ever before to ensure that our men and women in the Canadian Forces receive the widest care, respect and support they deserve.

Col Blake C. Goldring, M.S.M.
Founder and Chairman of Canada Company and
Honorary Colonel, Canadian Army

GOVERNANCE

Canada Company Executive Committee

HCol Blake C. Goldring, M.S.M., LL.D., CFA is the Chairman and Chief Executive Officer, and a member of the Board of Directors of AGF Management Limited. Mr. Goldring is Founder and Chairman of Canada Company and a member of The Canada Company Scholarship Fund Oversight Committee.

Bruce D. Bowser is President and CEO of AMJ Campbell Van Lines.

William Braithwaite is Chairman of the national law firm Stikeman Elliott LLP and is Secretary of The Canada Company Scholarship Fund Oversight Committee.

Steve Gregory is the President of the Quebec Chapter of Canada Company and the founder of the Operation Husky 2013 project. He is the CEO of IsaiX, a consulting firm specializing in sales performance management and coaching.

Peter Hart is the Managing Director of Canada Company.

HLCol Tim Hogarth is the President and CEO of Pioneer Energy LP and its associated group of companies. Mr. Hogarth also serves as the Honorary Lieutenant Colonel of The Royal Hamilton Light Infantry Regiment.

Alex Jurshevski is the Founder of Recovery Partners and has more than 20 years of experience in investment management, M & A and advisory work.

Major General [Ret'd] Reginald W. Lewis, CM, CMM, CD is the former Honorary Colonel of The Royal Regiment of Canada and a decorated military officer. In 1986, he received the Order of Canada and was made a Commander of the Order of Military. MGen Lewis is a member of the Canada Company Scholarship Fund Oversight Committee.

Garfield Mitchell is a private investor and corporate director, currently serving on various boards. Mr. Mitchell is Chairman of The Canada Company Scholarship Fund Oversight Committee.

HLCol Kevin Reed is currently Chairman of Reed Asset Management and Chairman of Blue Goose Capital Corporation. Mr. Reed is also an Honorary Lieutenant Colonel of 31 Service Battalion of Hamilton**.**

HLCol John Wright is Senior Vice President and Managing Director of the North American Public Opinion Polling Division for Ipsos Reid. Mr. Wright is also an Honorary Lieutenant Colonel with the Ontario Regiment.

As of December 31, 2011

OUR SUPPORTERS

Canada Company thanks the following organizations and individuals for their generous contributions in 2011.

Donors and Event Sponsors

Air Canada
AGF Management
American Express
AMJ Campbell
Atlas Canada
Bell Canada
Bergeron Design
Birks
BMO Groupe Financier
Bombardier
Cadillac Fairview
CAE
Canada Life
Canadien Pacifique
CESBA
CGI
CIBC
CN
Cogeco
Colorama
CTV
Deloitte
Desjardins
EADS
Edward Jones
Evans Martin
Fiesta
Garda
Great West Life
Herzig Eye Institute
HKMB HUB International
Industrielle Alliance
IsaiX
ITG Canada
Just Energy
Kloda Focus
La Presse
Lindt Chocolates
London Life
Luxe
Mackie Transportation Systems
National Bank
North American Moving Services
Oxford
Pinkertons
Pioneer Energy LP
Power Corporation du Canada
Raymond James
RBC
Rio Tinto-Alcan
Sim & McBurney / Sim Lowman Ashton & McKay LLP
Simbul Lezon Wealth Management
SNC Lavalin
Suite 88 Chocolatier
TD Bank
The ADGA Group
The Gazette
The Globe and Mail
United Technologies
VIA Rail Canada
Westmount Moving and Storage
Willson International Limited

Canada Company Members

Mr. Paolo Abate
Mr. Mark Aboud
Mrs. Nancy Adamo
Mr. Sandy Aitken
Mr. Angus Allison
Mr. Tom Anselmi
Mr. George Armoyan
Mr. Peter Armstrong
Mr. Brian Armstrong
Ms. Gail Asper
Mr. Ted Averbook
Mr. Sol Avisar
Mr. David Ayton
Mr. Vincent Ballut
Mr. James Balsillie
Mr. Ian Bandeen
Mr. John Barnett
Mr. Matthew Bassett
Mr. James Baumgartner
Mr. Mark Beard
Mr. David Beatty
Mr. Pierre Beaudoin
BGen [Ret'd] Marc-Andre Belanger, CD
Mr. Phil Belec
Mr. Donald Belovich
Dr. Rodolfo Bianco
Mr. Rodney Birrell
Mr. Tom Bitove
Mr. Rod Black
Mr. Ronald Black
Mr. Stephane Boisvert
Mr. Stephen Boland
Mr. Dick Bonnycastle
Mr. Bob Booth
Mr. Michel Bourdon
Mr. Bruce Bowser
Mr. William Braithwaite
Dr. Darrell Bricker
Mr. Daniel Brodlieb
Mr. Derek Brown
Mr. Craig Buckley
Mr. Gerard Buckley
Mr. Ed Burns
Mr. Stewart Burton
Mr. Martin Cairns
Mr. Brendan Caldwell
Mr. Craig Campbell
Mr. Robert Carew
Mr. John Carmichael
Mr. Paul Carroll
Mr. Nino Cesta
Mr. Yvon Charest
Mr. Louis Chênevert
Mr. Ross Christie
Mr. Robert Clark
Dr. Gayle Climpson-Kennedy
Mr. Anthony Cohen
Mr. Angelo Contardi
Mr. Randy Cooke
Mrs. Darden Coors
Mr. Alain Côté
Ms. Jacynthe Côté
Mr. James Cowan
Mr. Mark Cowie
Mr. Bruce Creighton
Mr. Doug Creighton
Mr. Stéphan Crétier
Mr. Dan Cummins
Mr. Paul Damp
Mr. Robert Darling
Mr. Tom Davies
Mr. Marcello De Cotiis
Mr. Charles De Kovachich
Mr. Marc de La Bruyere
Mr. Carlo De Rose
Mr. Pat DeLasalle
Mr. Ennio Dell'Agnese
Mr. David Denison
Mr. Francois Desjardins
Mr. Paul Desmarais Jr.
Mr. Kevin Devereux
Mr. Peter Devine
Mr. John Dill
Mr. Marty Dohm
Mr. Jason Donville
Mr. Brian Doyle
Mr. Kenneth Drabble
Mr. John Driscoll
Mr. Samuel Duboc
Mr. Brad Dunkley
Mrs. Christina Eaton
Mr. Frederik Eaton Jr.
Mr. Murray Edwards
Mr. Mike Ellis
Mr. Geordie Elms
Mr. Philip Evans
Mr. David Feather
Mr. Andrew Federer
Mr. Michael Feola
Mr. William Fielding
Mr. Blair Finlayson
Mr. John Firstbrook
Mr. Jock Fleming
Mr. Stephen Forbes
Mr. David Fowler
Mr. Don Fox
Mr. Shaun Francis
Mr. Tony Gaffney
Mr. Martin Gagne
Mr. Joseph Gagnon
Mr. Newton Glassman
Mr. Derrick Gleed
Mr. Blake Goldring
Ms. Judy Goldring
Mr. Jay Gould
Mr. Glen Gowland
Mr. John Graham
Mr. Keith Graham
Mr. Anthony Graham
Dr. Sven Grail
Mr. Marc Grandbois
Mr. John Grant
Mr. Fred Green
Mr. Roger Greenberg
Captain (Ret'd) Trevor Greene
Mr. Stephen Gregory
Mr. Paul Grimes
Mr. Rob Grohn
Mr. Richard Groome
Mr. Philip Grosch
Mr. Greg Guichon
Mr. Donald Guloien
Mr. Mukesh Gupta
Mr. Henry Hall
Mr. Jeff Hallat
Mr. Lee Harrison
Mr. Stanley Hartt
Mr. Timothy Hearn
Mr. Joseph Heffernan
Mr. Robert Herjavec
Captain (Ret'd) Adam Hermant
Mr. Donald Hewson
Mr. Alan Hibben
Mr. Paul Hindo
Mr. Russell Hiscock
Mr. Tom Hitchman
Mr. Greg Hitchman
Mr. Tim Hogarth
Mr. Brennan Howard
Mr. Bryce Hunter
Mr. Paul Hurwitz
Mr. Alan Hutton
Mr. Leo Iacono
Mr. David Ippolito
Mr. Dym Jack
Mr. Eric Jackman
Dr. George Jackowski
Mr. Tom Jenkins
Bishop Colin Johnson
Mr. Ian Joseph
Mr. Ronald Joyce
Mr. Alex Jurshevski
Mr. Robert Kearns
Mr. Douglas Keller Hobson
Mr. Ben Kendall
LCol Rick Kennedy
Mr. Mark Kent
Mr. James Kinnear
Mr.Vahan Kololian
Mr. Guy La Framboise
Mr. Marc Laliberté
Mr. Peter Landmann
Mrs. Kathryn Langley Hope
Mr. Jean-Francois Latreille
Mr. Richard Laughton
Mr. Dave Lawson
Mr. Brian Lawson
Mr. Michel Lebeuf
Mr. David Lefebvre

Mr. George Lewis
MGen Reginald Lewis
Mr. Ron Lezon
Mr. Allen Loney
Mr. Jerry Lozynsky
Ms. Katie Lyons
Dr. Patrick Ma
Mr. Dougal Macdonald
Mr. Scott MacIntosh
Mr. Scott Mackie
Mr. Hugh MacKinnon
Mr. Steven Mackinnon
Mr. Michael MacMillan
Mr. Rob Maheral
LGen [Ret'd] Michel Maisonneuve
Mr. Jack Major
Mr. Marco Mancini
Mr. Ronald Mannix
Mr. Fred Mannix
Mr. Andrew Marsh
Mr. Michael Marzolini
Mr. Rob Massaar
Ms. Susan McArthur
Ms. Ann McCaig
Mr. Gerry McCaughey
Mr. Jeff McCord
Mr. Rob McEwen
Dr. Paul McGrath
Mr. Michael McKay
Mr. Fred McLean
Mr. Alan McMillan
Mr. Kenneth Mellquist
Mr. L. Jacques Ménard
Mr. Christian Mercier
Mr. Jeff Mierins
Mr. Stephen Millen
Mr. Stanley Milner
Mr. Garfield Mitchell
Mr. Ed Monaghan
Ms. Angela Mondou
Mr. Claude Mongeau
Mr. Terry Moore
Mr. William Morneau
Mr. Bill Morris
Mr. Lee Mosley
Mr. Peter Munk
Mr. Robert Munroe
Mr. Michael Murphy
Mr. Tim Murphy
Mr. Sean Murray
Ms. Susan Murray
Mr. Chiko Nanji
Dr. Christy Natsis
Mr. Matey Nedkov de Lacamp
Mr. John Newman
Mr. David Nicol
Mr. Gordon M. Nixon
Ms. Joanne Noble
Mr. Michael Norris
Mr. Gerry Nudds
Mrs. Janice O'Born
Mr. Earle O'Born
Mr. Loudon Owen
Mr. Marc Parent
Mr. Scott Paterson
Mr. Prashant Pathak
Mr. Greg Perkell
Mr. Alex Pettes
Mr. Mike Phillips
Mr. Roberto Pietrovito
Mr. Eric Porter
Mr. Andy Pringle
Mr. John Puffer
Mr. Fred Pynn
Mr. Robert Raich
Mr. Cliff Randall
Mr. Paul Reaburn
Mr. Brian Read
Mr. Gary Reamey
Mr. Kevin Reed
Mr. George Reifel
Mr. Dan Richards
Mr. Gordon Ritchie
Mr. Michael E. Roach
LCol [Retd] Colin Robinson
Mr. William Robson
Mr. Michael Rodger
Mr. Greg Rogers
Mr. Greg Rokos
Mr. Rocco Rossi
Mr. Bruce Rothney
Mr. Joseph Rotman
Mr. Phil Rubano
Mr. Louis Sapi
Mr. Jean-François Sauve
Mr. David Schellenberg
Mr. Robin Sears
Mr. David Sepulchre
Ms. Joy Shikaze
Dr. Bill Siegel
Mrs. Marita Simbul Lezon
Mr. Charlie Sims
Mr. John Sleeman
Mr. Robert Smith
Mr. Roy Smith
Mr. Robert Smuk
Mr. William Sobel
Mr. Eddie Sonshine
Mr. John Southcott
Mr. Warren Spitz
Mr. Perry Spitznagel
BGen [Ret'd] Gary Stafford
Mrs. Carmen Stang
Mr. David Steele
Ms. Mercedes Stephenson
Mr. Jeff Stibbard
Mr. David Streeter
Mr. John M. Sullivan
Mayor Bob Sweet
Ms. Cherry Tabb
Mr. Larry Tanenbaum
Dr. Lynn Tanner
Mr. Bruce Taylor
Mr. David R. Taylor
Mr. Dave Taylor
Mr. Losel Tethong
Mr. Nicholas Thadaney
Mr. Andrew Thiessen
Mr. Ronald Thiessen
Mr. Bob J. Thompson
Mr. John Tobin
Mr. Milan Topolovec
Mr. Gregory Tsang
Mr. Wayne Tunney
Mme. Martine Turcotte
Mr. Louis Vachon
Ms. Renee Van Kessel
Mr. Randy Vanderstarren
Mr. Terry Vaudry
Mr. James Veitch
Ms. Annette Verschuren
Ms. Alexandra Von Schroeter
Mr. Kenn Voss
Mr. John Walker
Mr. Bruce Walter
Mr. Michael Ward
Mr. Tim Wardrop
Mr. John Warren
Mr. William Waugh
Mr. Kevin Webber
Mr. Michael Wekerle
Mr. Richard Wernham
Mr. Gavin Westermann
Mr. Galen Weston
Mr. Dan Whittle
Mr. Richard Williams
Mr. John Williams
Mr. Peter Willson
Mr. Brett Wilson
Ms. Victoria Wisdom
Ms. Ruth Woods
Mr. Harry Worsley
Mr. Jim Wortzman
Mr. John Wright
Mr. Jonathan Yen
Mr. Dave Young
Mr. David Young
Mr. Mark Zwanski

As of December 31, 2011

CONTACT US

Mail

Canada Company: Many Ways to Serve
Toronto-Dominion Centre
TD Bank Tower
66 Wellington Street West
P.O. Box 314, Suite 3100
Toronto, ON
M5K 1K2

Email

Peter.Hart@canadacompany.ca

Telephone

416.865.4311

Fax

416.367.8094

Website

www.canadacompany.ca

James Belesiotis
Chartered Accountant
Designated IT Specialist
Certified Information System Auditor

32 Barrydale Cres. • Toronto • Ontario • M3B 3E2 T: 416-486-5647 • F: 416-488-2959 • W: belesiotis.com

AUDITED FINANCIAL STATEMENTS: Independent Auditor's Report

To the Board of Directors of:
Canada Company: Many Ways to Serve

I have audited the accompanying financial statements of Canada Company: Many Ways to Serve which comprise the balance sheet as of December 31, 2011, and the statement of operations and change in fund balances and cash flow statement for the year then ended, and 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 Canadian generally accepted accounting principles, 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.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion
In common with many non-profit organizations, Canada Company: Many Ways to Serve derive revenues from events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net fund balances.

Qualified Opinion
In my 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 Canada Company: Many Ways to Serve as of December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures have been reported on by another public accountant and have been reclassified to conform to the current year reporting.

James Belesiotis, Chartered Accountant
Licensed Public Accountant
Toronto, Ontario
November 20, 2012

Financial Statements

CANADA COMPANY: MANY WAYS TO SERVE

December 31, 2011

CANADA COMPANY: MANY WAYS TO SERVE
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	2011 $	2010 $ (note 9)
ASSETS (note 1)		
Current		
Cash	1,251,799	243,954
Pledge receivable	139,175	-
Harmonized sales tax rebate (note 4)	49,542	9,236
Prepaid expenses	10,000	18,363
	1,450,516	**271,553**
LIABILITIES & FUND BALANCES		
Current		
Accounts payable and accrued liabilities	**160,450**	**56,521**
Commitments (note 8)		
Fund balances		
General fund (note 4)	1,535,896	356,885
Scholarship fund (note 5)	250	8,352
Camp fund	(246,080)	(150,205)
	1,290,066	**215,032**
	1,450,516	**271,553**

The accompanying notes are an integral part of these financial statements

On behalf of the Board:

, Director

, Director

CANADA COMPANY: MANY WAYS TO SERVE
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31

	General Fund	Scholarship Fund	Camp Fund	2011 Total	2010 Total (note 9)
REVENUE					
Donations	2,322,150	-	-	2,322,150	457,020
Memberships	103,535	-	-	103,535	54,950
Designated giving - Scholarship Fund	-	101,284		101,284	36,000
Designated giving - Camp Fund	-		79,720	79,720	75,000
	2,425,685	101,284	79,720	**2,606,689**	**622,970**
EXPENSES					
Fundraising expense	620,532	-	-	620,532	3,404
Program expenses	190,797			190,797	36,389
Management fees	185,443	-	-	185,443	56,697
Camp	-	-	175,595	175,595	216,174
Donations	143,936	-	-	143,936	-
Scholarships	-	109,386	-	109,386	82,118
Travel	53,653	-	-	53,653	4,955
Promotional	24,079	-	-	24,079	7,558
Office and general	10,216	-	-	10,216	4,926
Credit card fees	9,523	-	-	9,523	9,432
Professional fees	7,250	-	-	7,250	3,925
Insurance	1,080	-	-	1,080	1,080
Bank charges	165	-	-	165	221
	1,246,674	109,386	175,595	**1,531,655**	**526,879**
Excess (deficiency) of revenue over expenses	1,179,011	(8,102)	(95,875)	**1,075,034**	**96,091**
Fund balance, beginning of year	356,885	8,352	(150,205)	215,032	118,941
Interfund transfers	-	-	-	-	-
Fund balance, end of year	**1,535,896**	**250**	**(246,080)**	**1,290,066**	**215,032**

The accompanying notes are an integral part of these financial statements

CANADA COMPANY: MANY WAYS TO SERVE
STATEMENT OF CASH FLOWS

	2011 $	2010 $ (note 9)
OPERATING ACTIVITIES		
Excess of revenue over expenses	**1,075,034**	96,091
Change in non-cash working capital items:		
Change in accounts receivable	(139,175)	9,045
Change in harmonized sales tax rebate	(40,306)	(9,236)
Change in prepaid expenses	8,363	(8,363)
Change in accounts payable and accrued liabilities	103,929	53,021
Net increase in cash	**1,007,845**	140,558
Cash, beginning of year	243,954	103,396
Cash, end of year	**1,251,799**	243,954
Interest Paid	**-**	**-**

The accompanying notes are an integral part of these financial statements

Cash and cash equivalents consist of cash and investments maturing within three months

CANADA COMPANY: MANY WAYS TO SERVE
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. Operations

The Foundation was incorporated under the Canada Corporations Act without share capital on February 1, 2008 and began operations shortly thereafter. The Foundation is a not-for-profit organization, as described in Section 149(1)(l) of the Canadian Income Tax Act, and therefore is not subject to either federal or provincial income taxes.

The preparation of these financial statements requires the use of estimates and assumptions that have been made using careful judgment. In the opinion of management, these financial statements have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

2. Basis of Presentation

The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants ("CICA") using the restricted fund method of reporting revenues.

In December 2010, the CICA issued a new accounting framework applicable to not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations will have to choose between Canadian accounting standards for not-for-profit organizations (Part III of the CICA Handbook) and International Financial Reporting Standards (Part I of the CICA Handbook). The Association will adopt Part III of the CICA Handbook, commencing in 2012, and has determined that the impact on its financial statements of adopting these standards will not be significant.

Until Part III of the Handbook is adopted, the Foundation will continue to follow the pre-changeover accounting standards in Part V reflected in the CICA handbook.

The Foundation adopted the following three Handbook sections issued by the CICA: Section 3855 "Financial Instruments - Recognition and Measurement", Section 3861 "Financial Instruments – Presentation and Disclosure" and Section 3865 "Hedges".

Section 3855, "Financial Instruments - Recognition and Measurement" requires all financial instruments to be recorded initially at fair value. Financial instruments include financial assets, financial liabilities, and derivatives and embedded derivatives. The Section also requires all financial instruments to be classified as held-to-maturity, loans and receivables, held-for-trading, or available-for-sale.

2. Basis of Presentation (continued)

Section 3861, "Financial Instruments – Presentation and Disclosure" establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. Specifically, the section provides directives about the classification of financial instruments between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. It also provides directives about disclosure of factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and information about the nature and extent of an entity's use of financial instruments, the business purposes they serve, the risks associated with them and management's policies for controlling those risks. The Foundation has implemented the presentation and disclosure requirements in its financial statements.

The adoption of these new standards has had no material effect on the financial position or statement of revenues.

Financial Instruments

Financial Assets and Financial Liabilities

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

Held-for-trading

Financial assets that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. In addition, the Foundation upon initial recognition as held-for-trading can designate any other financial assets. These instruments are accounted for at fair value with the change in the fair value recognized in the excess of revenues over expenditures (expenditures over revenues) during the period. Cash was classified as held-for-trading.

2. Basis of Presentation (continued)

Available-for-sale

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are carried at fair value with the changes in fair value recorded in the Statement of Changes in Net Assets. Except for investments in equity instruments that do not have a quoted market price in an active market, which should be measured at cost. Interest on available-for-sale assets is calculated using the effective interest rate method and is recognized in the excess of revenues over expenditures (expenditures over revenues). When a decline in fair value is determined to be other-than-temporary, the cumulative loss included in the Statement of Changes in Net Assets is removed and recognized in the excess of revenues over expenditures (expenditures over revenues). No assets were classified as available-for-sale.

Held-to-maturity

Securities that have a fixed maturity date and which the Foundation has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. The short-term investments were classified as held-to-maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specific date, or on demand, usually with interest. Loans and receivables are accounted for at amortized cost using the effective interest rate method. Sundry receivables were classified as loans and receivables.

Financial liabilities classified as held-for-trading include derivative liabilities that are not accounted for as hedging instruments, obligations to deliver financial assets borrowed by a short seller and financial liabilities that are part of a portfolio of identified financial instruments that are managed together with the intention of generating profits in the near term. In addition, the Foundation upon initial recognition as held-for-trading can designate any other financial liabilities. These instruments are accounted for at fair value with the change in the fair value recognized in the excess of revenues over expenditures (expenditures over revenues). No liabilities were classified as held-for-trading.

2. Basis of Presentation (continued)

Financial Liabilities

Held-for-trading

Other liabilities

Other liabilities are accounted for at amortized cost using the effective interest rate method, Accounts payable and accrued liabilities were classified as other liabilities.

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by using valuation techniques, which refer to observable market data.

Revenue Recognition - the financial statements are prepared in accordance with the principals of fund accounting, whereby the resources of the organization are classified into funds associated with specific activities of objectives. Contributions restricted for the purpose of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset. Unrestricted contributions such as membership and donations are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned. The funds reflected in the financial statements are as follows:

General Fund - this fund accounts for the operations and programs as well as the organization's general operations and reflects restricted and unrestricted contributions related to this fund.

Scholarship Fund - the purpose of this fund is to support post-secondary education endeavors of the children of fallen Canadian soldiers and subject to both internally and externally imposed covenants. A third party manages the fund and funding is based on an individual basis on an annual basis without a predetermined use.

Camp Fund - the purpose of this fund is to support various summer camps for children of deployed Canadian troops and is subject to both internally and externally imposed covenants.

Basis of Presentation (continued)

Asset and service contributions:

Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements. Contribution of assets, supplies and services that would otherwise have been purchased, are recorded at their fair value at the date of contribution, provided a fair value can be reasonably determined.

Capital assets

Purchased capital assets are stated at cost. Contributed capital assets are recorded at their fair value at the date of contribution and amortized over their estimated useful service life. Capital assets are reviewed for impairment if events or changes in the circumstances indicate that their carrying value may not be recoverable. If the sum of the undiscounted future cash flow expected from use and residual value is less then carrying amount, the long-lived asset is considered impaired. Impairment is measured as the amount by which carrying value of the long-lived asset exceeds its fair value.

2. Basis of Presentation (continued)

Measurement uncertainty

The preparation of financial statements in accordance with Canadian 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 amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. Prior period adjustment

Subsequent to year-end, the Foundation filed a harmonized sales tax rebate for 2010 and 2011. The comparative figures for 2010 contain a retroactive adjustment to reflect an expected rebate of $ 9,236. The rebate expected for 2011 is $ 40,306.

4. Income taxes

The Foundation is registered as a charitable organization 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 Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

5. Related Party Transactions

During the year, the board members contributed office space, supplies and administrative staff with no cost to the Foundation. These financial statements do not reflect the value of that contribution because of the difficulty in determining fair value.

The Foundation has established a scholarship fund administered by a private foundation. At December 31, 2011, the fair value of the scholarship fund, held by the private foundation was $1,654,723 (2010 - $ 1,654,702).

6. Economic dependence

During the fiscal year, the Foundation derived the majority of donations from one fundraiser event that totaled $ 1,589,875 and reported as part of the General Fund donations. This is a volunteer event, which may not occur in the future. Corresponding costs related to that event were $ 567,842.

7. Commitments

On March 1, 2011, the Foundation entered into an agreement in respect to Management fees at a rate of $ 12,000 per month exclusive of expenses and sales tax. The agreement will expire March 3, 2014 unless otherwise extended by the Foundation. The Foundation may offer a bonus in respect to performance however is not legally obligated to do so. Minimum payments under this commitment, which exclude expenses and management bonus, are as follows:

2012	$ 162,720
2013	$ 162,720
2014	$ 40,680

On August 1, 2011, the Foundation entered into an agreement with a company to provide strategic consulting and planning for total fees of $ 45,000 exclusive of expenses and sales tax. Minimum payments under this commitment, which exclude expenses, are as follows:

2012	$ 16,950

8. Capital management

The Foundation defines capital as net assets plus deferred revenue. The Foundation receives the majority of these operating and capital funds from general donations, grants, third party events, and fundraisers.

The Foundation manages its capital structure and makes adjustments to it, based on the funds available to the Foundation, in order to support its ongoing programs and operations.

The Foundation is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purposes outlined by the funding party. As at December 31, 2011, the Foundation has complied with the external restrictions on any external funding.

9. Comparative figures

Certain comparative figures for 2010 have been reclassified to confirm to the financial statement presentation for the current year. The reclassification has not effect on previously reported results or net assets however does have a change to net income of $ 9,236.

MANY WAYS TO SERVE