

STEWART & MARILYN BLUSSON FOUNDATION

Financial Statements

November 30, 2017

(Unaudited)

STEWART & MARILYN BLUSSON FOUNDATION

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Year Ended November 30, 2017

(Unaudited)

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REVIEW ENGAGEMENT REPORT


To the Members of Stewart & Marilyn Blusson Foundation

We have reviewed the statement of financial position of Stewart & Marilyn Blusson Foundation as at November 30, 2017 and the statements of revenues and expenses, changes in net assets and cash flows 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 accounting standards for not-for-profit organizations.

Burnaby, British Columbia
May 15, 2018



Chartered Professional Accountants

STEWART & MARILYN BLUSSON FOUNDATION

Statement of Financial Position

November 30, 2017

(Unaudited)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 30	\$ 291
DUE FROM NOR-WEST ROTORS LTD.	3,800,000	3,800,000
DUE FROM STEWART BLUSSON	<u>1,623,540</u>	<u>1,625,740</u>
	<u>\$ 5,423,570</u>	<u>\$ 5,426,031</u>
NET ASSETS - page 3	<u>\$ 5,423,570</u>	<u>\$ 5,426,031</u>

APPROVED BY THE DIRECTORS

_____ *Director*

_____ *Director*

STEWART & MARILYN BLUSSON FOUNDATION

Statement of Changes in Net Assets

Year Ended November 30, 2017

(Unaudited)

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 5,426,031	\$ 5,431,383
Deficiency of revenue over expenses - page 4	<u>(2,461)</u>	<u>(5,352)</u>
NET ASSETS - END OF YEAR - page 2	<u>\$ 5,423,570</u>	<u>\$ 5,426,031</u>

STEWART & MARILYN BLUSSON FOUNDATION

Statement of Revenues and Expenses

Year Ended November 30, 2017

(Unaudited)

	<u>2017</u>	<u>2016</u>
EXPENSES		
Professional fees	\$ 2,426	\$ 5,303
Bank charges	35	49
	<u>2,461</u>	<u>5,352</u>
DEFICIENCY OF REVENUE OVER EXPENSES - page 3	<u>\$ (2,461)</u>	<u>\$ (5,352)</u>

STEWART & MARILYN BLUSSON FOUNDATION

Statement of Cash Flows

Year Ended November 30, 2017

(Unaudited)

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITY		
Deficiency of revenue over expenses - page 3	<u>\$ (2,461)</u>	<u>\$ (5,352)</u>
Cash flow used by operating activity	<u>(2,461)</u>	<u>(5,352)</u>
FINANCING ACTIVITY		
Advances from Stewart Blusson	<u>2,200</u>	<u>5,360</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(261)</u>	<u>8</u>
Cash - beginning of year	<u>291</u>	<u>283</u>
CASH - END OF YEAR	<u>\$ 30</u>	<u>\$ 291</u>

STEWART & MARILYN BLUSSON FOUNDATION

Notes to Financial Statements

Year Ended November 30, 2017

(Unaudited)

1. PURPOSE OF THE FOUNDATION

The Stewart & Marilyn Blusson Foundation (the "Foundation") is incorporated under the Canada Not-for-Profit Corporations Act. As a registered charity under the Income Tax Act, the Foundation is exempt from income taxes.

The purpose of the Foundation is to distribute gifts to qualified donees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets' amortization.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

STEWART & MARILYN BLUSSON FOUNDATION

Notes to Financial Statements

Year Ended November 30, 2017

(Unaudited)

3. AMOUNTS DUE FROM RELATED PARTIES

The following is a summary of the Foundation's amounts due from related parties:

	<u>2017</u>	<u>2016</u>
Amounts due from Nor-West Rotors Ltd. <i>(Related by significant influence)</i>		
Loan receivable	\$ 3,800,000	\$ 3,800,000
Amounts due from Stewart Blusson <i>(Related as he is a Director)</i>		
Loan receivable	\$ 1,623,540	\$ 1,625,740

The amounts due from related parties are non-interest bearing and have no repayment terms and as such have been classified as a long term asset.

4. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Publically traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk for its amounts due from Stewart Blusson and Nor-West Rotors Ltd. The Foundation does not directly hold any collateral as security for its receivables. Exposures to credit risk and significant changes to the risk exposure from the prior year are as follows:

- Amounts due from Stewart Blusson and Nor-West Rotors are from members and related parties, who, in management's view, are financially stable.