

SHEEO CANADA FUND

Financial Statements

For The Period From September 11, 2015 Ended December 31, 2015

SHEEO CANADA FUND

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For The Period From September 11, 2015 Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of SheEO Canada Fund

We have audited the accompanying financial statements of SheEO Canada Fund, which comprise the statement of financial position as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the period from September 11, 2015 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 accounting standards for not-for-profit organizations, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SheEO Canada Fund as at December 31, 2015 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Jonathan Sears CA

Oakville, Ontario
December 14, 2016

Jonathan Sears CA Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

SHEEO CANADA FUND
Statement of Financial Position
December 31, 2015

	General Fund	SheEO Venture Fund	Total
ASSETS			
CURRENT			
Cash	\$ -	\$ 4,069	\$ 4,069
Short-term investments (Note 2)	-	468,000	468,000
Interest receivable	-	3,744	3,744
	<u>\$ -</u>	<u>\$ 475,813</u>	<u>\$ 475,813</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$ 7,500	\$ -	\$ 7,500
NET ASSETS	<u>(3,756)</u>	<u>472,069</u>	<u>468,313</u>
LIABILITIES AND NET ASSETS	<u>\$ 3,744</u>	<u>\$ 472,069</u>	<u>\$ 475,813</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

SHEEO CANADA FUND**Statement of Revenues and Expenditures****For The Period From September 11, 2015 Ended December 31, 2015**

	General Fund	SheEO Venture Fund	Total
REVENUES	\$ 3,744	\$ 477,711	\$ 481,455
EXPENSES			
Interest and bank charges	-	5,642	5,642
Professional fees	7,500	-	7,500
	7,500	5,642	13,142
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (3,756)	\$ 472,069	\$ 468,313

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Statement of Changes in Net Assets

For The Period From September 11, 2015 Ended December 31, 2015

	General Fund	SheEO Venture Fund	Total
NET ASSETS - BEGINNING OF PERIOD	\$ -	\$ -	\$ -
Excess of revenues over expenses	<u>(3,756)</u>	<u>472,069</u>	<u>468,313</u>
NET ASSETS - END OF PERIOD	<u>\$ (3,756)</u>	<u>\$ 472,069</u>	<u>\$ 468,313</u>

SHEEO CANADA FUND**Statement of Cash Flows****For The Period From September 11, 2015 Ended December 31, 2015**

OPERATING ACTIVITIES

Excess of revenues over expenses	\$ 468,313
Changes in non-cash working capital:	
Interest receivable	(3,744)
Accounts payable and accrued liabilities	<u>7,500</u>
	<u>3,756</u>
INCREASE IN CASH FLOW	472,069
CASH - BEGINNING OF PERIOD	<u>-</u>
CASH - END OF PERIOD	<u>\$ 472,069</u>

SHEEO CANADA FUND

Notes to Financial Statements

For The Period From September 11, 2015 Ended December 31, 2015

NATURE OF ORGANIZATION

SheEO Canada Fund (the "organization") is a national organization raising funds to finance and support female entrepreneurs. The organization was incorporated without share capital under the Canadian Corporations Act on September 11, 2015, is registered as a Not-For-Profit organization, and is exempt from corporate income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

SheEO Canada Fund follows the restricted fund method of accounting for contributions.

Restricted contributions are comprised of contributions received from Activators (contributors) that are to be used solely to fund ventures. These contributions are recognized as revenue of the SheEO Venture Fund in the year in which they are received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income receivable on SheEO Venture Fund contributions is recognized as income in the SheEO Venture Fund and transferred to the General Fund when received. Other investment income is recognized as revenue of the General Fund when earned.

Cash and cash equivalents

Cash and cash equivalents consist of restricted cash and investments with an initial maturity of one year or less at the time of acquisition.

Restricted fund

The SheEO Venture Fund is an externally restricted fund solely for the purpose of funding future female entrepreneurial ventures as determined by Activators annually.

Contributed services

The organization receives contributed services (contributions-in-kind) from SheEO Inc. These items are recorded in the financial statements only when the fair market value can be reasonably estimated.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. Financial instruments not actively traded 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.

(continues)

SHEEO CANADA FUND

Notes to Financial Statements

For The Period From September 11, 2015 Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related Party

SheEO Inc. is a related party to SheEO Canada Fund by virtue of having a common Board of Directors.

2. SHORT-TERM INVESTMENTS

Guaranteed investment certificate maturing September 15, 2016	\$ 200,000
Guaranteed investment certificate maturing November 18, 2016	100,000
Guaranteed investment certificate maturing December 9, 2016	<u>168,000</u>
	<u>\$ 468,000</u>

Guaranteed investment certificates all have an interest rate of 0.800% per annum and all mature one year from date of purchase.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from the female entrepreneur ventures it provides funding. In order to reduce its credit risk, the organization reviews the new ventures or sole proprietor's credit history before extending funding and conducts regular reviews of its existing ventures' credit performance. The organization does provide funding to various ventures which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through it providing funding to ventures. Short-term investments are not traded in an active market and therefore, the related interest rate risk is low.
