FINANCIAL STATEMENTS

ACCESS PRO BONO SOCIETY OF BRITISH COLUMBIA

March 31, 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of
Access Pro Bono Society of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of the Access Pro Bono Society of British Columbia, which comprise the statement of financial position as at March 31, 2011, and the statements of changes in net assets, operations and cash flows 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 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 Society'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 Society'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.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, 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 Society and we were not able to determine whether any adjustments for unrecorded revenue might be necessary to donations, excess of revenue, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Access Pro Bono Society of British Columbia as at March 31, 2011, 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.

Tomphine Worny, Meller 7 6.

Vancouver, Canada August 17, 2011

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2011
	\$
ASSETS	
Current	
Cash	11,087
Accounts receivable [note 7]	21,396
Prepaid expenses	23,301
	55,784
Capital assets [note 3]	5,767
	61,551
LIABILITIES	
Current	
Accounts payable and accrued liabilities [note 7]	56,346
Total liabilities	56,346
NET ASSETS	5,205
	61,551

Commitment [note 9]

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Unrestricted deficiency \$	Total \$
2011			
Balance, beginning of year			
Excess of revenue (expenses) for the year	(766)	5,971	5,205
Capital asset purchases in the year	6,534	(6,534)	
Balance, end of year	5,768	(563)	5,205

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	2011
	\$
REVENUE	
Grants [note 4]	573,826
Donations [note 5]	95,088
	668,914
EXPENSES	
Wages and benefits	501,416
Rent	50,789
Office and other	38,926
Consulting	26,904
Travel and seminars	16,280
Pro Bono Going Public event	14,969
Professional fees	9,331
Communications	4,328
Amortization of capital assets	766
	663,709
Excess of revenue for the year	5,205

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31	
	2011
	\$
OPERATING ACTIVITIES	
Excess of revenue for the year	5,205
Add item not affecting cash:	
Amortization of capital assets	766
	5,971
Changes in non-cash working capital items:	
Accounts receivable	(21,396)
Prepaid expenses	(23,301)
Accounts payable and accrued liabilities	56,347
Cash provided by operating activities	17,621
INVESTING ACTIVITIES	
Purchases of capital assets	(6,534)
Cash used in investing activities	(6,534)
Increase in cash during the year	11,087
Cash, beginning of year	
Cash, end of year	11,087

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

1. PURPOSE OF THE ORGANIZATION AND OPERATIONS

On April 1, 2010, Access Pro Bono Society of British Columbia (the "Society") was formed to assume the activities formerly carried out by Pro Bono Law of British Columbia and the Western Canada Society to Access Justice. The Society's purpose is to promote access to justice in B.C. by providing and fostering quality pro bono legal services for people and non-profit organizations of limited means. The Society is a not-for-profit organization and registered charity incorporated under the British Columbia Society Act. The Society is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of the financial statements:

Cash

For the purposes of determining cash flows, cash consists of cash on deposit with banks.

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Any capital assets contributed to the Society are recorded at the estimated fair market value at the date the contribution was made. Amortization is provided on a declining balance basis as outlined in Note 3.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Any non-recoverable amount will be recorded as an impairment charge in the year it is recognized.

The equipment and leasehold improvements paid for by Pro Bono Law of British Columbia and the Western Canada Society to Access Justice were provided without cost to the Society when it assumed their activities on April 1, 2010. The cost of this property and equipment is not reflected on these financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

The Society follows the deferral method of accounting for revenue.

Restricted grants are recorded as deferred revenue when received and then recognized as revenue in the period in which the related expenses are incurred.

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

Donations are recorded on a cash basis and recorded as revenue when received.

Proceeds received from direct access gaming funding are recorded as deferred contributions or deferred contributions related to capital assets, if applicable, and are transferred to revenue as authorized expenditures are incurred.

Unrestricted investment income is recognized as revenue in accordance with the terms of the underlying investment, which in the case of interest, is generally with the passage of time.

Contributed Services and Premises

Volunteer lawyers and other individuals, contribute their time to assist the Society in carrying out its activities. Their value is not recognized in these financial statements due to the difficulty in determining the fair value of such services.

Various host agencies provide premises as needed to allow the volunteer lawyers to meet with clients and provide services in a cost effective manner. Due to the difficulty in determining the fair value of the various premises provided during the year, the value of the contributed premises are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful live of capital assets. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

3. CAPITAL ASSETS

	Amortization Rates	Cost \$	Accumulated Amortization \$	Net Book Value \$
2011				
Computers	30% D.B	5,682	596	5,086
Furniture and fixtures	20% D.B	851	170	681
		6,533	766	5,767

4. GRANT REVENUE

	\$
Law Foundation of BC	455,000
Provincial Gaming	35,016
Legal Services Society	30,000
The Notary Foundation	22,000
University of Victoria Faculty of Law	10,800
Face the World Foundation	10,000
Vancouver Bar Association	4,500
Nanaimo Community Foundation	4,500
City of Vancouver	2,010
	573,826

5. DONATIONS

	\$
Pro Bono Going Public Event	48,573
Donations	46,515
	95,088

Pro Bono Going Public Event donation revenue includes \$3,775 of tax receipted in-kind donations.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

6. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. All financial instruments are recorded at amortized cost.

Credit Risk Exposure

The Society's exposure to credit risk is indicated by the carrying amounts of its cash and accounts receivable. The Society limits its exposure to credit loss by placing its cash with a chartered Canadian financial institution. Management believes that the Society is not exposed to an unusual level of credit risk.

Interest Rate Risk Exposure

All of the Society's financial instruments are non-interest bearing except for cash that earns interest at variable market rates.

Fair Values

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short term maturities.

7. ACCOUNTS RECEIVABLE AND PAYABLE

Accounts payable includes \$11,760 for audit fees payable by the Society on behalf of Pro Bono Law of British Columbia. The same amount is also recorded in accounts receivable from the Law Society of British Columbia (50%) and from Pro Bono Law of British Columbia (50%).

8. ECONOMIC DEPENDENCE

The primary source of the Society's revenue is the operating grants from the Law Foundation of BC as described in note 4. The Society's ability to continue viable operations is dependent upon maintaining this source of revenue. These financial statements have been prepared on a going concern basis on the assumption this source of funding will continue to finance the Society's program activities.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

9. COMMITMENT

The Society entered into a lease agreement for its premises which requires the following annual lease payments, including the estimated operating costs, over the next four years until November 14, 2014:

	\$
2012	32,973
2013	35,482
2014	38,349
2015	26,522
	133,326