Financial Statements of

MOVEMBER CANADA

Year ended April 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Movember Canada

We have audited the accompanying financial statements of Movember Canada, which comprise the statement of financial position as at April 30, 2012, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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 Movember Canada as at April 30, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

September 10, 2012
Toronto, Canada

MOVEMBER CANADA

Statement of Financial Position

April 30, 2012

Assets

Current assets:	
Cash and cash equivalents	$ 39,209,789
Accounts receivable	142,488
Prepaid expenses and deposits	40,040
	39,392,317
Capital assets (note 2)	51,985
	$ 39,444,302

Liabilities and Net Assets

Current liabilities:	
Accounts payable and accrued liabilities	$ 99,243
Due to related parties (note 3)	934,811
Distribution payable to Prostate Cancer Canada (note 4)	32,840,762
	33,874,816
Net assets:	
Funds designated for Global Action Plan Programs	3,648,987
Unrestricted	1,920,499
	5,569,486
Commitments (note 6)	
	$ 39,444,302

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

MOVEMBER CANADA

Statement of Operations and Changes in Net Assets

Year ended April 30, 2012

Revenue:	
Donation	$ 41,949,655
Ticket sales	24,040
Interest income	89,066
Corporate sponsorship	95,000
In-kind donations	122,000
	42,279,761
Expenses (note 5):	
Program expenses	34,209,697
Fundraising	2,056,654
Administration	443,785
Foreign exchange loss	139
	36,710,275
Excess of revenue over expenses, being net assets, end of year	$ 5,569,486

See accompanying notes to financial statements.

MOVEMBER CANADA

Statement of Cash Flows

Year ended April 30, 2012

Cash provided by (used in):	
Operating activities:	
Excess of revenue over expenses	$ 5,569,486
Amortization which does not involve cash	20,878
	5,590,364
Change in non-cash operating working capital:	
Increase in accounts receivable	(142,488)
Increase in prepaid expenses and deposits	(40,040)
Increase in accounts payable and accrued liabilities	99,243
Increase in due to related parties	934,811
Increase in distribution payable to Prostate Cancer Canada	32,840,762
	33,692,288
Investing activities:	
Addition to capital assets	(72,863)
Increase in cash and cash equivalents, being cash and cash equivalents, end of year	$ 39,209,789

See accompanying notes to financial statements.

Movember Canada (the "Organization") is a charitable organization dedicated to promoting awareness for men's health, specifically prostate cancer. The Organization was incorporated on November 12, 2010 under the Canada Corporations Act and charitable status was obtained on July 25, 2011 (Registration # 84821 5604 RR0001). The Organization is not required to pay income taxes while it maintains its status as a charity. Operation did not commence until July, 2011.

1. Significant accounting policies:

The financial statements of the Organization have been prepared by management in accordance with Canadian generally accepted accounting principles.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recorded on an accrual basis.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, bank balance and guaranteed investment certificates with a duration of less than 90 days from the date of acquisition.

(c) Capital assets:

Amortization is provided on a straight-line basis using the following annual rates:

Furniture and fixtures	40%
Computer equipment	40%

1. Significant accounting policies (continued):

(d) Financial instruments:

Cash and cash equivalents is designated as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Investments are classified as held-for-trading and are stated at fair value.

(e) Contributed services:

A number of volunteers contribute a significant amount of time each year to assist in carrying out the Organization's service delivery activities. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

(f) Contributed gifts in kind:

The work of the Organization is supported by donated gifts in kind. The donated items are recorded at fair value as revenue and expenses at the date of contribution when fair value is reasonably determined.

(g) Allocation of expenses:

Certain support expenses are allocated to other functions based on either task-based service or estimated effort expensed.

(h) Use of estimates:

The preparation of financial statements 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 reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Capital assets:

	Cost	Accumulated amortization	Net book value
Furniture and fixtures	$ 10,148	$ 2,987	$ 7,161
Computer equipment	62,715	17,891	44,824
	$ 72,863	$ 20,878	$ 51,985

3. Due to related parties:

The amounts due to related parties consist of the following:

Due to other divisions of the Movember Group Pty Limited ("Movember Group"), net	$ 18,461
Due to the Movember Group	916,350
	$ 934,811

The amounts due to other divisions of the Movember Group represent advances provided to the Organization from time to time.

The amounts due to Movember Group are related to services provided by the headquarters. During the year, services provided to the Organization totaled $872,387. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to related parties is unsecured and non-interest bearing with no specific terms of repayment.

The fair value of due to related parties cannot be determined given the related party nature of the transactions.

4. Distribution payable to Prostate Cancer Canada ("PCC"):

The Organization entered into a beneficiary agreement with PCC whereby donations are distributed to PCC. The amount payable is non-interest bearing, with the $17,000,000 payable in equal instalments in the following year. The remaining balance has no specific terms of payments.

5. Allocation of expenses:

(a) General support expenses provided by the headquarters of $872,387 have been allocated to other functions as follows:

Program expenses	$ 305,335
Fundraising	453,641
Administration	113,411
	$ 872,387

(b) Salary and benefits cost of $736,646 has been allocated to other functions as follows:

Program expenses	$ 96,530
Fundraising	627,672
Administration	12,444
	$ 736,646

6. Commitments:

The Organization rents premises under a long-term operating lease which expires on September 30, 2016. The future minimum payments are as follows:

2013	$ 42,000
2014	44,000
2015	47,000
2016	47,000
2017	20,000

7. Fair values of financial assets and financial liabilities:

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and distributions payable to Prostate Cancer Canada approximate their fair values due to the relatively short periods to maturity of these financial instruments or because they are payable on demand.

8. Management of capital:

The Organization defines its capital as the amounts included in its net assets. The Organization's objective when managing its capital is to safeguard the Organization's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its members.