



Annual Report 2008

Letter from the Chairman

This is the sixth Annual Report of Bank of Bermuda Foundation. It is published as an affirmation that the Foundation wishes to be transparent in all it undertakes. We exist and partner with others for the betterment of the Bermuda Community as a whole.

400th Anniversary

As we noted in our last Annual Report, in 2009 Bermuda will be celebrating its 400th Anniversary. We are now midway through those celebrations, despite the unprecedented worldwide economic malaise, and Bank of Bermuda Foundation is playing a lead role. We are the title sponsor of both the Tall Ships 2009 Challenge and Bermuda Tattoo. We have supported the Bermuda 2009 Charitable Trust with a very substantial donation. The replica of "The Deliverance" in St. George's, which is now the property of The St. George's Foundation, has been completely restored and its exhibits renewed and greatly enhanced. We also partnered with The St. George's Foundation in the production of Luci Spurling's film "The Lion and The Mouse", the story of Bermuda's relationship with the United States of America.

During 2008 Bank of Bermuda Foundation made numerous donations, details of which are contained elsewhere in this report. Once again in 2008 we assisted a charity - Kaleidoscope Arts Foundation - in crafting a strategic plan. This enables charities to have a much clearer sense of direction and, in our experience, every single charity that has crafted a strategic plan or become accredited or certified pursuant to the standards published by The Bermuda National Standards Committee has greatly benefitted from the process and stated unequivocally that the process of formulating the strategic plan or becoming accredited or certified was enormously beneficial. Accordingly, Bank of Bermuda Foundation continued in 2008 to support The Centre on Philanthropy, The Donor Forum and The Bermuda National Standards Committee.

As a result of the worldwide economic recession, Bank of Bermuda Foundation has found it necessary to adopt a very cautious giving approach in 2009. The Foundation, together with many of Bermuda's major donors, has decided not to support any endowment appeals or any new capital campaigns. Bank of Bermuda Foundation foresees that there will be an increased social need in Bermuda as a result of the recession and we stand ready, together with others, to do our part to help. The irony is that in these recessionary times when there is usually less

capacity to give, the need is always increasing. Thus it will be necessary for the donor community to work in concert and to carefully prioritise those charities that meet basic social needs.

Bank of Bermuda Foundation's Scholarship Programme awarded 21 scholarships in 2008 with a value totaling \$702,000. The award of scholarships in the Bermuda Community helps to build the intellectual capital of the Island on which our future will depend.

I would like to take this opportunity to thank all the Directors and Sub-Committee Members, details of whom are contained elsewhere in this report, for all their hard work in 2008. During that year one new Committee Member - Ronald Simmons - joined The Human Services Sub-Committee while Jamie Gutteridge and Julie Harrington resigned from that same Committee. I would also like to take this opportunity to thank Jamie and Julie for their contribution and wish them well in all their future endeavours.

Joseph C.H. Johnson, J.P.

23 June 2009

Chairman, Board of Directors, Bank of Bermuda Foundation



Board of Directors

Joseph C.H. Johnson, J.P., *Chairman*^{*}
David W. Hamshere, *Deputy Chairman*^{♦†}
David R.M. Lang, *Secretary*^{♦▲}
E. Eugene Bean^{**}
Philip M. Butterfield
John D. Campbell, O.C., J.P.
David R. Gutteridge^{▲†}
Paul A. Leseur, M.B.E.^{*▲}
Dennis G. Tucker, J.P.^{▲†}

Sub Committees of the Board

*Audit

†Investment

♦Public Relations

▲400th Anniversary

Sub-Committee Members

Arts, Cultural, Heritage and Environment

Paul A. Leseur, M.B.E. Chairman
Susan Amos
Alan E. Burland
C. Joy Pimental
Clement Talbot
Ruth Thomas
Col. Sumner 'Chip' Waters

Education

Dennis G. Tucker, J.P. Chairman
Riquette Bonne Smith
Renee Bullock-Cann
Nea L. Dixon
Margaret P. Hallett
Craig D. Tucker

Human Services (including Housing)

Philip M. Butterfield, Chairman
Burton Butterfield, M.D.
Mary Jane Gutteridge
David W. Hamshere
Julie Harrington
Gordon R. Johnson, M.S.W.
Ronald Simmons
Lauretta Stoneham

Youth Development and Sport

E. Eugene Bean, Chairman
Jeanne Atherden, C.A., J.P.
Martha D. Kirkland, M.S.W.
Clare A. Mello
Anthony B. Roberts
William H. Welton

Charitable Sub-Committee

Philip M. Butterfield
Judy Doidge
David R.M. Lang

Donations

Under \$25,000

Aerie Foundation
Alpha Phi Alpha Fraternity, Inc.
Berkeley Educational Society
Berkeley Institute
Bermuda Autism Support and Education Society
Bermuda Bicycle Association
Bermuda Cancer and Health Centre
Bermuda Civic Ballet
Bermuda Council for Drug-free Sports
Bermuda Diabetes Association
Bermuda Equestrian Federation
Bermuda Feline Assistance Bureau
Bermuda Health Foundation
Bermuda Heart Foundation
Bermuda High School
Bermuda Hockey Federation
Bermuda Hospitals Charitable Trust
Bermuda Institute (Seventh-day Adventists)
Bermuda Islands Association of the Deaf
Bermuda Karate Organization
Bermuda Magic Foundation
Bermuda National Gallery
Bermuda National Trust
Bermuda Paralympic Association
Bermuda Reading Association
Bermuda Red Cross
Bermuda Rowing Association
Bermuda Rugby Football Union
Bermuda Sea Cadet Association
Bermuda Society for the Blind
Bermuda Squash Racquets Association
Bermuda Underwater Exploration Institute
Brotherhood/Sisterhood of Bermuda
Cedarbridge Academy
Child's Wish
Coalition for the Protection of Children
Committee of 25 for Handicapped Children
Continental Society
Cornerstone Foundation
Crime Stoppers Bermuda
De Boys Day Out Club
Delta Sigma Theta Sorority, Inc.
Bermuda Alumnae Chapter
Dolphin Swim Club
Ensemble Singers
Fight for Life Foundation
Flyers Track Club
Friends of Hope Academy/Dame Marjory Bean
Friends of Hospice-Agape House

Gilbert and Sullivan Society of Bermuda
Hands of Love Ministry
Harbour Amateur Swimming Club
Heron Bay School
Kaleidoscope Arts Foundation
Kappa Alpha PSI - Bermuda Alumni
Keep Bermuda Beautiful
Knowledge Quest
Meals on Wheels
Outward Bound for the Youth of Bermuda
P.A.L.S.
Pembroke Rotary Club
Phenomenal Women Inc.
Prospect School
Ross Blackie Talbot Foundation
Seniors Learning Centre
Somersfield Academy
Southampton Glebe
SPCA
St. David's Island Historical Society
St. John Ambulance Brigade
Summerhaven
Sunshine League
Tae Durham Charitable Association
The American Society of Bermuda
The Association of Canadians in Bermuda
The Bermuda Football Foundation
The Bermuda Shakespeare Schools Festival
The Bermuda War Veterans Association
The Greenrock Project
The Lady Cubitt Compassionate Association
The Menuhin Foundation
The Physical Abuse Centre
The Success Series
Tomorrow's Voices: Bermuda Autism
Early Intervention Centre
Trey D. Swan Memorial Scholarship Fund
Tuleeni Charitable Trust
Victor Scott Primary
West End Athletic Club
West Pembroke School
Windreach Trust
Young Life Bermuda
Young Men's Social Club Football
Redevelopment Program
Youth Athletic Organization
Youth Entrepreneurship Initiative of Bermuda

\$25,000 and above

Age Concern Bermuda
Bermuda 2009
Bermuda Audubon Society
Bermuda Cricket Board
Bermuda End-to-End
Bermuda Festival
Bermuda Institute of Ocean
Sciences (BIOS)
Bermuda International Film
Festival
Bermuda Lawn Tennis Association
Bermuda Maritime Museum
Bermuda National Gallery
Bermuda Olympic Association
Bermuda Sailing Association
Bermuda School of Music
Bermuda Sloop Foundation
Bermuda Triathlon Association

Bermuda Union of Teachers
Bermuda Zoological Society
Buy Back Bermuda
Caron Bermuda
Centre on Philanthropy
CTY Bermuda
Duke of Edinburgh
Habitat for Humanity
Jamestown/Yorktown Foundation
Mount Saint Agnes
National Dance Foundation
of Bermuda
Open Airways
PRIDE Bermuda
Project 100
Raleigh International
Saltus Grammar School
Salvation Army

Sandys 360
Somersfield Academy
St. George's Foundation
St. Peter's Church
Tall Ships 2009
The Adult Education School
The Bermuda Housing Trust
The Family Centre
The Masterworks Foundation
The Reading Clinic
The Sequoia Learning Foundation
Warwick Academy School
Wesley Methodist Church
Westmeath Trustees
Women's Resource Centre
YouthNet





Scholarships 2008

Sir John W. Cox University Scholarship for Postgraduate Studies

This Scholarship is awarded annually to a Bermudian pursuing post-graduate education overseas and is valued at BD\$30,000 per annum, for up to four years.

2008 Winner

Mia Finsness, Masters in Law at Columbia University.

Eldon H. Trimmingham Master of Business Administration Scholarship

This Scholarship is awarded annually to a Bermudian proceeding with M.B.A. studies overseas and is valued at BD\$30,000 per annum for up to two years.

2008 Winner

Anne Marwick, Masters of Business Administration, Kellogg School of Management, Northwestern University.

Financial Services Scholarship

This Scholarship is offered as a commitment to advancing and developing Bermudians within the banking profession in Bermuda. The Scholarship is valued at BD\$40,000 and disbursed over the third and fourth years of university.

2008 Winner

Conchita Amory, Bachelor in Business, Mount Saint Vincent University.

Sir Henry Tucker University Scholarship

This annual Scholarship, valued at BD\$30,000, provides a financial award for a period not exceeding four years to a student who has outstanding scholastic ability, leadership, devotion to duty and fellowship, together with ability in athletic, cultural and other non-academic pursuits.

2008 Winner

Carika Weldon, Medical Biochemistry, University of Leicester.

Sir Henry Tucker Scholarship Education Grants

There are three Education Grants of \$8,000 per annum awarded to the three runners-up for a period not exceeding four years.

2008 Winners

Aliyyah Ahad, Bachelor of Arts in Political Science, University of Toronto.

Anna Brewin, Degree in Natural Science, University of Cambridge.

Amy Peniston, Engineering, Duke University.

Information Technology Scholarship

This Scholarship provides financial support of \$12,000 per annum over a period not exceeding four years to a student or students who are proceeding with undergraduate information technology related studies on a full-time basis.

2008 Winners

Katrina Darrell, Degree in Network Engineering and Computer Servicing Technology, New England Institute of Technology.

Sherika Parfitt, Degree in Information Technology and Software Engineering, New England Institute of Technology.

President's Awards for Scholastic Achievement

The purpose of these Awards is to provide financial support for an initial period of one academic year to students who are in, or have just completed, their final year in the Bermuda secondary school system or Bermuda College. In 2008, the Foundation presented six awards. The Premier Award, valued at BD\$15,000 was given to the overall winner and BD\$10,000 each given to the five runners-up.

2008 Winner

Vanessa Bean, Bachelor of Fine Arts in Interior Design, Savanna College of Art and Design.

Five Runners Up

John Adcock, Degree in Architecture, Clemson University.

Chloe Baron, Bachelor in Psychology Degree, University of Waterloo.

Cornell Bean, Degree in Bio-Chemistry, Florida Southern College.

Clare Grenfell, Bachelor of Science in Environmental Services, Queens University.

Chloe Minors, Degree in Biological and Medical Science, University of Western Ontario.

Joseph C. H. Johnson Scholarship

The Joseph C. H. Johnson Scholarship is awarded annually to a student who is in their final year of secondary school in Bermuda and is valued at BD\$30,000 per annum for up to four years. Candidates are nominated by their secondary school principal. Students nominated but not selected for the Scholarship receive a Nominee Award in the amount of \$1500.00 each.

2008 Winner

Sanae Russell, Degree in Actuarial Science, St. John's University.

Nominee Awards

Aliyyah Ahad, Bachelor of Arts in Political Science, University of Toronto.

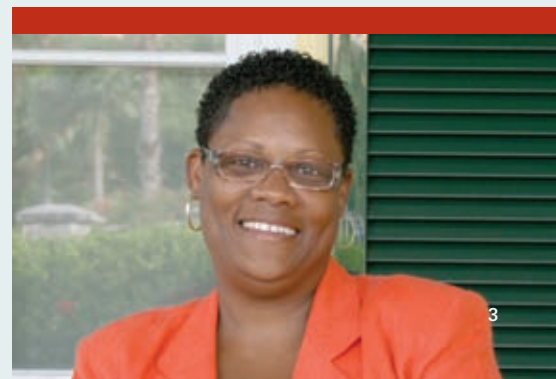
Anastasia Azzario, Bachelor of Psychology, St. Mary's University.

Rachel Ball, Bachelor in Biology, Oakwood College.

Jeffrey Chisnall, Bachelor of Administration, Wilfred Laurier University.

Sierra O'Meally, Bachelor in Criminology, University of Salford.

Jasmine Patterson, Bachelor in Communications, Brunel University.



Auditors' Report on Summarized Financial Statements



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Auditors' Report on Summarized Financial Statements

TO THE MEMBER

BANK OF BERMUDA FOUNDATION

The accompanying summarized consolidated statement of financial position and summarized consolidated statements of operations and changes in net assets by fund are derived from the complete consolidated financial statements of Bank of Bermuda Foundation as at December 31, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated April 17, 2009. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and changes in net assets, reference should be made to the related complete financial statements.

June 3, 2009

Ernst & Young Ltd.


Chartered Accountants

Summarized Consolidated Statement of Financial Position

December 31, 2008 (expressed in Bermuda dollars)

	2008	2007
Assets		
Current assets		
Cash and cash equivalents	\$ 10,075,594	\$ 11,677,795
Dividends receivable	170,738	241,218
Investments, at fair value (Consolidated schedule of investments)	121,504,937	167,177,708
	\$ 131,751,269	\$ 179,096,721
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 359,294	\$ 242,397
Net Assets		
Restricted net assets - Educational purposes		
Restricted net assets allocated to specific causes	1,584,330	1,827,400
Restricted net assets unallocated	1,629,200	3,627,829
	3,213,530	5,455,229
Restricted net assets - endowment trust	1,023,139	1,013,689
Unrestricted net assets		
Internally restricted net assets	15,035,478	15,586,536
Unrestricted net assets	112,119,828	156,798,870
	127,155,306	172,385,406
	131,391,975	178,854,324
	\$ 131,751,269	\$ 179,096,721

On behalf of the Bank of Bermuda Foundation.



Director



Director

To obtain a complete version of the Bank of Bermuda Foundation's financial statements contact David Lang, telephone 299 5485, email david.r.m.lang@bob.hsbc.com

Consolidated Statement of Operations

Year Ended December 31, 2008 (expressed in Bermuda dollars)

	2008	2007
Revenue		
(Loss) gain on sale of investments	\$ (1,368,947)	\$ 4,506,774
Dividends	2,488,899	2,107,394
Interest income	291,471	491,461
Donations received	200,400	1,220,039
Miscellaneous income	44,438	75,558
Foreign exchange gain	41,580	10,145
	1,697,841	8,411,371
Donations		
Human services	1,972,949	1,670,981
Arts, culture, heritage and environment	1,700,786	637,150
Education	741,044	534,857
Youth development and sports	576,454	574,470
General charitable	539,204	451,537
Scholarships	495,000	406,500
	6,025,437	4,275,495
Expenses		
Investment management fees	280,000	280,000
Administration charges	225,000	225,000
Marketing and communications	100,000	100,000
Professional fees	96,000	138,567
Director and committee member fees	77,000	80,000
Member funding expenses	76,000	-
Custody fees	50,000	50,000
Miscellaneous	41,784	21,923
Printing and advertising	20,093	87,215
Endowment costs	15,000	10,000
Computer, software and training	-	5,131
	980,877	997,836
(Deficit) surplus of donations and expenses over revenues for the year	\$ (5,308,473)	\$ 3,138,040

Consolidated Statement of Changes in Net Assets by Fund

December 31, 2008 (expressed in Bermuda dollars)

	Restricted Net Assets - Endowment Purposes 2008	Restricted Net Assets - Education Purposes 2008	Unrestricted Net Assets 2008	Total 2008
Net assets at December 31, 2007	\$ 1,013,689	\$ 5,455,229	\$ 172,385,406	\$ 178,854,324
Unrealized losses (gains) on those securities held at beginning of year, which were sold in the year	-	5,030	(2,232,956)	(2,227,926)
Unrealized losses on available for sale securities held at year end	-	(1,019,329)	(38,906,621)	(39,925,950)
(Deficit) surplus of donations and expenses over revenue for the year	9,450	(1,228,400)	(4,089, 523)	(5,308,473)
Net assets at December 31, 2008	\$ 1,023,139	\$ 3,212,530	\$ 127,156,306	\$ 131,391,975

	Restricted Net Assets - Endowment Purposes 2007	Restricted Net Assets - Education Purposes 2007	Unrestricted Net Assets 2007	Total 2007
Net assets at December 31, 2006	\$ -	\$ 6,279,677	\$ 164,957,561	\$ 171,237,238
Unrealized gains on those securities, held at beginning of year, which were sold in the year	-	-	(3,220,522)	(3,220,522)
Unrealized (losses) gains on available for sale securities held at year end	-	(45,825)	7,745,393	7,699,568
Surplus (deficit) of revenue over donations and expenses for the year	1,013,689	(778,623)	2,902,974	3,138,040
Net assets at December 31, 2007	\$ 1,013,689	\$ 5,455,229	\$ 172,385,406	\$ 178,854,324



Bank of Bermuda FOUNDATION

Annual Report for 2008

David Lang, Secretary

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www.bankofbermuda.com/1/2/about/community



learning
motivation
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sport
research
inspire