

FINANCIAL STATEMENTS

For

SPRING CIRCLES

For the year ended

DECEMBER 31, 2024

(expressed in U.S. Dollars)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the directors of

SPRING CIRCLES

We have reviewed the accompanying financial statements of Spring Circles (the Organization) that comprise the statement of financial position as at December 31, 2024, and the statements of operations and net assets 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.

Practitioner's Responsibility

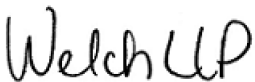
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Spring Circles as at December 31, 2024, 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.



Chartered Professional Accountant
Licensed Public Accountants

Ottawa, Ontario
May 29, 2025.

SPRING CIRCLES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(expressed in U.S. dollars)

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 7,550	\$ 11,081
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,138	\$ 1,877
Due to Spring Strategies (note 4)	-	2,344
	<u>2,138</u>	<u>4,221</u>
NET ASSETS		
Unrestricted net assets	<u>5,412</u>	<u>6,860</u>
	<u>\$ 7,550</u>	<u>\$ 11,081</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)
PREPARED WITHOUT AUDIT

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SPRING CIRCLES
STATEMENT OF OPERATIONS AND NET ASSETS
YEAR ENDED DECEMBER 31, 2024
(expressed in U.S. dollars)

	<u>2024</u>	<u>2023</u>
REVENUE		
Services	\$ 16,317	\$ -
Other revenue	21	98
Donations	<u>-</u>	<u>14,960</u>
	<u>16,338</u>	<u>15,058</u>
EXPENSES		
Operations		
Professional fees	16,738	2,060
Publications and communications	645	627
Exchange loss	391	-
Bank charges	12	18
Governance		
Professional fees	<u>-</u>	<u>1,169</u>
	<u>17,786</u>	<u>3,874</u>
EXCESS OF REVENUE OVER EXPENSES		
(EXPENSES OVER REVENUE)	(1,448)	11,184
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>6,860</u>	<u>(4,324)</u>
NET ASSETS, END OF YEAR	<u>\$ 5,412</u>	<u>\$ 6,860</u>

(See accompanying notes)

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SPRING CIRCLES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(expressed in U.S. dollars)

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue)	\$ (1,448)	\$ 11,184
Changes in level of:		
Accounts payable and accrued liabilities	261	(2,447)
Due to Spring Strategies	<u>(2,344)</u>	<u>2,344</u>
INCREASE (DECREASE) IN CASH	(3,531)	11,081
CASH AT BEGINNING OF YEAR	<u>11,081</u>	<u>-</u>
CASH AT END OF YEAR	<u>\$ 7,550</u>	<u>\$ 11,081</u>

(See accompanying notes)

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SPRING CIRCLES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. PURPOSE OF THE ORGANIZATION

Spring Circles (the "Organization") is a non-profit organization incorporated under the Canada Not-for-profit Corporation Act on March 17, 2022. The Organization is exempt from income tax under the Income tax Act, Paragraph 149 (1)(l).

The Organization was created in order to be a capacity accelerator for social and climate justice leaders around the world. It offer training and coaching programs with the goal of deepening and strengthening individual and collective leadership in order to catalyze big shifts, realize ambitious goals and solve systematic problems.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Foreign exchange

The Organization's functional currency and its reporting currency is the United States (U.S.) dollar as it best meets the needs of the financial statement users. Accordingly, monetary items are translated at the exchange rates prevailing at the date of the statement of financial position. Non-monetary items are translated at historic exchange rates and revenue and expenses are translated at exchange rate in effect on the dates on which such items are recognized during the period. The resultant gains or losses are credited or charged to operations.

Revenue recognition

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

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all of its financial instruments, except for cash, at cost or amortized cost at the year end date. Cash is subsequently measured at fair value at the year end date.

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 reported amounts of revenue and expenses during the reporting period.

Management makes accounting estimates when determining accrued liabilities. Actual results could differ from these estimates and adjustments are made to the statement of operations as appropriate in the year they become known.

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SPRING CIRCLES
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2024

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at December 31, 2024.

The Organization does not use derivative financial instruments to manage its risks.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Organization's maximum exposure to credit risk represents the sum of the carrying value of its cash. The Organization's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote.

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet a demand for cash or fund its obligations as they become due. The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency rate risk, interest risk, and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the U.S. dollar due to changes in foreign exchange rates. The Organization's financial instruments are denominated in US dollars. However, it incurs expenses in various foreign currencies, making it susceptible to fluctuations between these currencies and the US dollar.

As at December 31, 2024, the statement of financial position included the following amounts that are denominated or to be settled in a currency other than U.S. dollar:

	2024		2023	
Cash	CAD \$14,805	\$7,550 equivalent	CAD \$ 14,805	\$11,081 equivalent
Accounts payable and accrued liabilities	CAD \$2,970	\$2,060 equivalent	CAD \$2,500	\$1,877 equivalent

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

Since the Organization does not have any interest bearing financial instruments, it is not exposed to interest rate risk.

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SPRING CIRCLES
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2024

3. FINANCIAL INSTRUMENTS - Cont'd.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

Since the Organization does not have investments in publicly traded securities, it is not exposed to other price risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

4. RELATED PARTY TRANSACTIONS

During the year, the Organization entered into related party transactions with Spring Strategies, a member of Spring Circles.

Particulars of transactions and balances owing from (or to) this related entity for the year ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Donation revenue	\$ -	\$ 14,960
Professional services	(14,483)	-
Website and social media redesign and maintenance	(24)	(34)
Software licenses and subscriptions	(214)	(391)
Consultants	-	(1,911)
Bank charges	-	(9)

Related party transactions are recorded at their exchange amounts which are the amounts agreed upon by the related parties.

At December 31, 2024, \$nil (2023 - \$2,344) was due to Spring Strategies, payable on demand.

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