F I N A N C I A L S T A T E M E N T S

For

SPRING CIRCLES

For the year ended

DECEMBER 31, 2025

(expressed in U.S. Dollars)

Welch LLP®

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, 2025, 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, 2025, 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.

Welch LLP

Chartered Professional Accountant
Licensed Public Accountants

Ottawa, Ontario
May 19, 2026.

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SPRING CIRCLES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

(expressed in U.S. dollars)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 14,625	$ 7,550
Prepaid expenses	61,825	-
	$ 76,450	$ 7,550
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 3,639	$ 2,138
Deferred contributions (note 4)	67,399	-
	71,038	2,138
NET ASSETS		
Unrestricted net assets	5,412	5,412
	$ 76,450	$ 7,550

Approved by the Board:

Amany Alhadka
. . . . Director

Daniela Pais Costa
. . . . Director

(See accompanying notes)

PREPARED WITHOUT AUDIT

SPRING CIRCLES

STATEMENT OF OPERATIONS AND NET ASSETS

YEAR ENDED DECEMBER 31, 2025

(expressed in U.S. dollars)

	2025	2024
REVENUE		
Grant revenue	$ 130,101	$ -
Services	-	16,317
Interest revenue	-	21
	130,101	16,338
EXPENSES		
Subcontracting expense	125,800	-
Professional fees	3,710	16,738
Publications and communications	876	645
Bank charges	7	12
Exchange (gain) loss	(292)	391
	130,101	17,786
EXCESS OF EXPENSES OVER REVENUE	-	(1,448)
NET ASSETS, BEGINNING OF YEAR	5,412	6,860
NET ASSETS, END OF YEAR	$ 5,412	$ 5,412

(See accompanying notes)

PREPARED WITHOUT AUDIT

SPRING CIRCLES

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

(expressed in U.S. dollars)

	2025	2024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of expenses over revenue	$ -	$ (1,448)
Changes in level of:		
Prepaid expenses	(61,825)	-
Deferred contributions	67,399	-
Accounts payable and accrued liabilities	1,501	261
Due to Spring Strategies	-	(2,344)
INCREASE (DECREASE) IN CASH	7,075	(3,531)
CASH AT BEGINNING OF YEAR	7,550	11,081
CASH AT END OF YEAR	$ 14,625	$ 7,550

(See accompanying notes)

PREPARED WITHOUT AUDIT

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 offers 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 reasonably 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.

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, 2025.

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, 2025, the statement of financial position included the following amounts that are denominated or to be settled in a currency other than U.S. dollar:

	2025		2024	
Cash	CAD $5,882	$4,285 equivalent	CAD $14,805	$7,550 equivalent
Accounts payable and accrued liabilities	CAD $5,000	$3,640 equivalent	CAD $2,970	$2,060 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.

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. DEFERRED CONTRIBUTIONS

Deferred contributions consists of the unexpended portion of a restricted grant from the Ford Foundation. Revenue is recognized as the related expenses are incurred. Deferred contributions are comprised of the following:

	2025	2024
Balance, beginning of year	$ -	$ -
Contributions received in the year	197,500	-
Recognized as revenue in the year	(130,101)	-
Balance, end of year	$ 67,399	$ -

5. 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, 2025 and 2024 were as follows:

	2025	2024
Subcontracting expenses	$ (130,101)	$ -
Professional services	-	(14,483)
Website and social media redesign and maintenance	-	(24)
Software licenses and subscriptions	-	(214)

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

At December 31, 2025, the Organization had a prepaid expense balance with Spring Strategies related to funds advanced for the implementation of a grant in the amount of $61,825 (2024 – $nil). No amounts were payable to Spring Strategies at year end.

6. ECONOMIC DEPENDENCE

The Organization is economically dependent on funding received from the Ford Foundation. During the year, the Organization received a grant of $197,500, which represents a significant portion of its total revenue and supports the majority of its program activities. Funding currently in place is expected to support operations through the next fiscal year; however, the Organization will be required to secure additional funding sources in future periods to continue its activities. Spring Strategies provides ongoing strategic and operational support to assist the Organization in planning for long-term financial sustainability.