

# **SeedChange Foundation**

Financial Statements

And Independent Auditor's Report thereon

April 30, 2025



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of SeedChange Foundation

### ***Opinion***

We have audited the financial statements of SeedChange Foundation (the Entity), which comprise:

- the statement of financial position as at April 30, 2025
- the statement of changes in net assets for the year then ended
- the statement of operations for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 17, 2025

# SeedChange Foundation

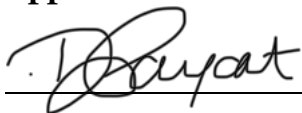
## Statement of Financial Position

As at April 30, 2025

	2025	2024
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	500,209	466,716
Investments (Note 4)	4,929,044	4,749,306
Due from SeedChange	30,320	88,137
Prepaid expenses	5,008	4,742
	<u>5,464,581</u>	<u>5,308,901</u>
<b>Current liabilities</b>		
Accounts payable	15,590	11,720
<b>Net Assets (See Note 3)</b>		
Internally restricted - Lotta Hitschmonova Legacy	4,714,530	4,577,913
Externally restricted - Endowments	734,461	719,268
	<u>5,448,991</u>	<u>5,297,181</u>
	<u>5,464,581</u>	<u>5,308,901</u>

### Commitments and contingencies (note 8)

Approved on behalf of the Board:



Director

Director

The accompanying notes are an integral part of these financial statements.

# SeedChange Foundation

## Statement of Changes in Net Assets

For the year ended April 30, 2025

	<b>Balance – Beginning of year \$</b>	<b>Excess of Revenue over expenses for the year \$</b>	<b>Endowment contributions \$</b>	<b>Balance – End of year \$</b>
Internally restricted – Lotta Hitschmonova Legacy	4,577,913	136,617	–	4,714,530
Externally restricted - Endowments	719,268	–	15,193	734,461
	<b>5,297,181</b>	<b>136,617</b>	<b>15,193</b>	<b>5,448,991</b>

The accompanying notes are an integral part of these financial statements.

# SeedChange Foundation

## Statement of Operations

For the year ended April 30, 2025

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Revenue</b>		
Bequests	\$ 461,387	\$ 449,705
Investment income	494,382	288,748
Contributions and other	96	3,799
	<b>955,865</b>	<b>742,252</b>
<b>Expense</b>		
Administration	34,316	59,016
Investment counsel fees	32,420	26,804
Fundraising	27,512	16,887
	<b>94,248</b>	<b>102,707</b>
<b>Excess of revenue over expense contribution to SeedChange</b>	<b>861,617</b>	<b>639,545</b>
<b>Contribution to SeedChange</b>	<b>725,000</b>	<b>940,000</b>
<b>Excess of revenue over expense (expenses over revenue) for the year</b>	<b>136,617</b>	<b>(300,455)</b>

The accompanying notes are an integral part of these financial statements.

# SeedChange Foundation

## Statement of Cash Flows

For the year ended April 30, 2025

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expense (expenses over revenue for the year)	136,617	(300,455)
Items not affecting cash		
Change in fair value of investments	(109,144)	(63,510)
Realized gain on investments	(39,817)	(13,605)
Reinvested dividends	(322,977)	(176,012)
Changes in non-cash working capital items		
Prepaid expenses	(266)	(4,742)
Due to SeedChange	57,817	73,850
Accounts payable and accrued liabilities	3,870	11,720
	(273,900)	(472,754)
<b>Investing activities</b>		
Purchase of investments	(57,800)	(370,550)
Proceeds on sale of investments	350,000	735,000
	292,200	364,450
<b>Financing activities</b>		
Endowment contributions	15,193	10,070
<b>Change in cash and cash equivalents during the year</b>	<b>33,493</b>	<b>(98,234)</b>
<b>Cash and cash equivalents – Beginning of year</b>	<b>466,716</b>	<b>564,950</b>
<b>Cash and cash equivalents – End of year</b>	<b>500,209</b>	<b>466,716</b>

The accompanying notes are an integral part of these financial statements.

# SeedChange Foundation

## Notes to Financial Statements

For the year ended April 30, 2025

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### **1 Purpose of the organization**

SeedChange Foundation (the Foundation) has been established to accept donations, gifts, legacies and bequests for the long-term support and security of SeedChange programs. The Foundation is incorporated, without share capital, under the provisions of the Canada Not-for-Profit Corporations Act. The Foundation is a public foundation under Section 149.1 of the Income Tax Act (Canada) and is exempt from income taxes.

### **2 Summary of significant accounting policies**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

#### **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 the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting periods. Actual results could differ from these estimates.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investment with original maturities of three months or less.

#### **Investments**

Investments are measured at fair value using quoted market prices. Dividends, interest and changes in fair value are recognized in the statement of operations as investment income.

#### **Revenue recognition**

The Foundation follows the deferral method of accounting for contributions. Under the deferral method, endowment contributions are recorded as a direct increase in net assets.

Unrestricted contributions are recorded as revenue in the period received. Externally restricted contributions are deferred and recognized as revenue in the period that the related expenses are incurred.

### **3 Net assets**

Amounts for the Lotta Hitschmanova Legacy are internally restricted by the Board of Directors for capital or other purposes. These internally restricted net assets can be transferred to unrestricted net assets by approval of the Board of Directors.

# SeedChange Foundation

## Notes to Financial Statements

For the year ended April 30, 2025

Endowment funds have been restricted in perpetuity by the donors. Investment income earned on these resources has been reported as part of general operations unless otherwise restricted by the contributor of the funds for endowment.

<b>Endowment funds</b>	<b>Balance – Beginning of year \$</b>	<b>Endowment Contributions \$</b>	<b>Balance – End of year \$</b>
Stewart Moore Endowment	371,809	10,000	381,809
Kurt and Evelyn (Russell) Hass Endowment	118,401	5,113	123,514
Manson and Mary Toynbee Endowment	201,245	80	201,325
Rick McTaggart Memorial Fund	27,813	–	27,813
	<b>719,268</b>	<b>15,193</b>	<b>734,461</b>

#### 4. Investments

	<b>2025 \$</b>	<b>2024 \$</b>
Canadian impact investments	131,485	123,685
Canadian equities	4,797,436	4,625,498
US and foreign equities	123	123
	<b>4,929,044</b>	<b>4,749,306</b>

As at April 30, 2025, 100% of the Foundation's portfolio (2024 – 100%) was issued in Canada, the United States and the United Kingdom.

Canadian impact investments comprise an investment in InvestEco's Sustainable Food Fund III. The Foundation has made a commitment to invest up to \$150,000 in this fund, which will be drawn by InvestEco as needed to fund the portfolio. As at April 30, 2024, Canadian impact investments comprised of an investment in the InvestEco Sustainable Food Fund III, L.P. who called \$7,800 (2024 - \$20,550) of the Foundation's \$150,000 total commitment. The estimated equity value at April 30, 2025 was \$176,606 (2024 - \$147,403). Business ethics plays a key role in the way the Foundation strives to improve food sovereignty through working with partners globally and within the wider Canadian Community. Environmental, Social and Governance (ESG) is aligned with the objectives of the Foundation which is why the Foundation has an investment portfolio with InvestEco who manages the investments, that are solely focused on investing and preserving capital in a sustainable and compliant way that supports the way the Foundation is governed.

# SeedChange Foundation

## Notes to Financial Statements

For the year ended April 30, 2025

Investment income (loss) comprises:

	2025	2024
	\$	\$
Interest	4,939	16,893
Dividends	340,482	194,740
Change in fair value of investments	109,144	63,510
Gain on sale of investments	39,817	13,605
	494,382	288,748

### 5 Related party balances and transactions

SeedChange controls the Foundation as the members of the Board of Directors of SeedChange are the members of the Foundation.

For the year ended April 30, 2025, fundraising and administration expenses include \$ 46,017 (2024 – \$47,297) charged by SeedChange, representing an allocation of employee salaries and SeedChange administration expenses based on time spent working for each entity. These transactions are recorded at the exchange amount, which is the amount established and agreed to by the related parties involved.

Amounts due to or from SeedChange are without defined terms of repayment and are non-interest bearing.

### 6 Financial instruments

The Foundation is subject to the following risks from its financial instruments.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties. The Foundation assesses, on a continuous basis, its investments and amounts receivable and provides for any amounts that are not collectible in an allowance for doubtful accounts. At year end, there were no amounts allowed for.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or a reasonable cost. The Foundation expects to meet its obligations as they come due. The Foundation believes that it is not exposed to significant liquidity risk arising from its financial instruments.

# SeedChange Foundation

## Notes to Financial Statements

For the year ended April 30, 2025

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(c) 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 comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk as the value of its financial instruments will fluctuate due to changes in the exchange rate. The Foundation has investments denominated in foreign currencies as disclosed in note 4.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation believes that it is not exposed to significant interest rate risk arising from its financial instruments as it does not hold significant fixed income investments or debt.

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk with respect to its equity investments as disclosed in note 4.

(d) Concentration of risk:

Concentration of risk exists when a significant portion of financial instruments is held in securities with similar characteristics or subject to similar economic, political or other conditions. The Organization believes that it is not exposed to significant concentration of risk from its financial instruments.

These risks have increased in 2025 due to market fluctuations in interest rates and market prices. The Foundation believes that its financial risks are appropriately mitigated and do not pose significant risk to the Foundation's operations. In the year, there have been no significant changes in the policies, procedures and methods used to manage these risks.