Financial statements of

Human Concern International

December 31, 2025

Deloitte.

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Independent Auditor's Report

To the Members of
Human Concern International

Qualified Opinion

We have audited the financial statements of Human Concern International (the ”Organization”), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the ”financial statements”).

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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.

Basis for Qualified Opinion

In common with many not-for-profit Organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to recorded donations revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and the net assets as at January 1 and December 31 for both the 2025 and 2024 years. The prior year audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 qualified audit opinion.

Other Matter

The financial statements of the Organization for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on May 30, 2025.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Organization's internal control.
- 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 Organization's ability to continue as a going concern. If we conclude that 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 Organization 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.

We 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 21, 2026

Human Concern International
Statement of financial position
As at December 31, 2025

	Notes	2025 $	2024 $
Assets			
Current assets			
Cash	2	**8,185,461**	19,329,059
Accounts receivable	3	**1,336,972**	932,148
Prepaid expenses		**317,275**	224,356
Inventory	1	**3,000,000**	—
		12,839,708	20,485,563
Loan receivable	7	**2,330,796**	—
Long-term investments	4	**1,274,458**	1,178,597
Capital assets	5	**889,074**	826,840
		17,334,036	22,491,000
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	**1,845,628**	1,291,393
Deferred revenue		**509,716**	—
		2,355,344	1,291,393
Net assets			
Net investment in capital assets		**889,074**	826,840
Endowment		**421,900**	421,900
Unrestricted		**13,667,718**	19,950,867
		14,978,692	21,199,607
		17,334,036	22,491,000

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

On behalf of the Board

Signed with DocuSign
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______________________________, Director

Signed with DocuSign
Sheneeza Kanji
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______________________________, Director

Human Concern International

Statement of changes in net assets

Year ended December 31, 2025

	Notes	Internally restricted for tangible capital assets $	Restricted for endowment purposes $	Unrestricted $	2025 Total $	2024 Total $
Balance, beginning of year, as previously reported	1	**826,840**	**421,900**	**11,691,301**	**12,940,041**	14,446,754
Adjustment due to change in accounting policy	1	**—**	**—**	**8,259,566**	**8,259,566**	694,324
Balance, beginning of year, as restated		**826,840**	**421,900**	**19,950,867**	**21,199,607**	15,141,078
Deficiency (excess) of revenue over expenses for the year		**(26,620)**	**—**	**(6,194,295)**	**(6,220,915)**	6,058,529
Net investment in capital assets		**88,854**	**—**	**(88,854)**	**—**	—
Balance, end of year		**889,074**	**421,900**	**13,667,718**	**14,978,692**	21,199,607

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

Human Concern International
Statement of operations
Year ended December 31, 2025

	Notes	**2025**	2024
		$	$
Revenue			
Donation income		**50,357,823**	50,346,510
Grants from governments and other organizations		**1,037,271**	12,777
Other income		**96,481**	70,743
Gift-in-kind	1	**3,000,000**	—
		54,491,575	50,430,030
Expenses			
Program services			
Charitable programs	1	**49,107,245**	35,801,340
Supporting services			
Amortization of tangible capital assets		**26,620**	36,156
Fundraising		**8,649,026**	7,870,189
Administration		**2,294,840**	2,120,087
		60,077,731	45,827,772
Other income (expense)			
Unrealized gain on investments		**69,161**	78,598
Unrealized (loss) gain on foreign exchange		**(703,920)**	1,377,673
(Deficiency) excess of revenue over expenses for the year		**(6,220,915)**	6,058,529

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

	Notes	2025 $	2024 $
Operating activities			
(Deficiency) excess of revenue over expenses for the year		**(6,220,915)**	6,058,529
Adjustments for			
Gift-in-kind	1	**(3,000,000)**	—
Unrealized gain on investments		**(69,161)**	(78,598)
Amortization of capital assets		**26,620**	36,156
Foreign exchange loss on tangible capital assets		**—**	51
		(9,263,456)	6,016,138
Changes in non-cash working capital items			
Accounts receivable		**(404,824)**	1,816,148
Prepaid expenses		**(92,919)**	50,256
Accounts payable and accrued liabilities		**554,235**	(1,413,984)
Deferred revenue		**509,716**	—
		(8,697,248)	6,468,558
Investing activities			
Investment in capital assets		**(88,854)**	(16,070)
Increase in long-term investments		**(26,700)**	(25,601)
Loan receivable	7	**(2,330,796)**	—
		(2,446,350)	(41,671)
(Decrease) increase in cash during the year		**(11,143,598)**	6,426,887
Cash, beginning of year		**19,329,059**	12,902,172
Cash, end of year		**8,185,461**	19,329,059

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

1. Summary of significant accounting policies

Description and purpose of the Organization

Human Concern International ("HCI" or the "Organization") is a Canadian registered charity focused on delivering humanitarian relief, poverty alleviation, and sustainable community development programs that support individuals and communities from crisis to sustainability.

Guided by principles of dignity, inclusion, accountability, and humanitarian service, the Organization delivers support and assistance to individuals and communities facing hardship through programs and initiatives including:

- Emergency relief and disaster response initiatives, including food assistance, shelter, medical aid, and humanitarian support in areas affected by conflict, displacement, natural disasters, and other crises;
- Sustainable development and community resilience programs, including food security, clean water, sanitation and hygiene initiatives, healthcare services, education support, and livelihood assistance intended to strengthen long-term well-being and self-sufficiency;
- Child sponsorship, orphan care, and family support programs focused on improving access to education, healthcare, nutrition, and essential services for children and households in need; and
- Seasonal, community, and faith-based charitable initiatives, including Ramadan food distributions, Qurbani programs, Zakat-supported assistance, winter relief, and local support initiatives in Canada and internationally.

The Organization delivers programs through a combination of direct operations, local implementing partners, and international partners in order to facilitate the effective delivery, monitoring, and oversight of humanitarian and development activities. HCI maintains policies, oversight procedures, and accountability measures intended to support the responsible stewardship of donor contributions and the effective use of resources toward charitable purposes and beneficiary support.

The Organization is a registered charity under the Income Tax Act (Canada) (Charitable Registration No. 107497125 RR 0001) and is exempt from income taxes.

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as set out in Part III of the Chartered Professional Accountants of Canada Handbook – Accounting.

The significant accounting policies applied in the preparation of these financial statements are summarized below.

Change in accounting policy – Recognition of charitable program expenditures

Effective January 1, 2025, the Organization changed its accounting policy for the recognition of charitable program expenditures. Charitable program expenditures are now recognized based on actual amounts disbursed and confirmed payment obligations. Previously, charitable program expenditures were recognized based on the estimated percentage of work completed.

Management believes the revised policy provides more reliable and relevant information regarding charitable program expenditures and the Organization's financial performance.

This change in accounting policy has been applied retrospectively, and the comparative figures for the year ended December 31, 2024, and opening net assets as at January 1, 2024, have been restated accordingly.

1. Summary of significant accounting policies (continued)

Change in accounting policy – Recognition of charitable program expenditures (continued)

	2024 As previously stated $	Adjustments $	2024 As restated $ (Restated)
Prepaid expenses and supplies	2,319,006	(2,094,650)	224,356
Accounts payable and accrued liabilities	12,339,933	(11,048,540)	1,291,393
Program services relief and development programs	43,434,856	(8,259,566)	35,175,290
(Deficiency) excess of revenue over expenses	(2,201,037)	8,259,566	6,058,529
Unrestricted net assets, January 1, 2024	13,177,877	694,324	13,872,201
Net assets, January 1, 2024	14,446,754	694,324	15,141,078
Unrestricted net assets, December 31, 2024	10,996,977	8,953,890	19,950,867
Net assets, December 31, 2024	12,245,717	8,953,890	21,199,607

Use of estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Significant estimates include assumptions used in estimating useful life and amortization rates of tangible capital assets, provisions for accrued liabilities.

Financial instruments

Financial instruments are initially recorded at fair value and are subsequently measured based on their classification. Cash, accounts receivable, loans receivable, and accounts payable and accrued liabilities are measured at amortized cost. Investments quoted in an active market are measured at fair value, with unrealized gains and losses recognized in operations, while investments not quoted in an active market are measured at cost. Transaction costs related to financial instruments measured at fair value are recognized in operations when incurred, while transaction costs related to financial instruments measured at amortized cost are added to the carrying value of the related instrument. Financial assets are assessed for impairment when indicators of impairment exist.

Measurement of arm's length financial instruments

The Organization initially measures its arm's length financial assets and liabilities at fair value. The Organization subsequently measures arm's length financial instruments at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities.

1. Summary of significant accounting policies (continued)

Financial instruments (continued)

Measurement of arm's length financial instruments (continued)

Arm's length financial assets and financial liabilities measured at cost include investments not traded in an active market.

Arm's length financial assets measured at fair value include investments traded in an active market.

Measurement of related party financial instruments

Related party financial instruments are initially measured at fair value cost or exchange amount, depending on the nature of the transaction. Where repayment terms exist, cost is determined based on undiscounted cash flows, excluding interest and dividend payments, less any impairment previously recognized. Subsequent measurement is consistent with the initial measurement basis unless there is evidence of impairment or a modification of terms.

Capital assets

Capital assets are recorded at cost less accumulated amortization and are amortized over their estimated useful lives using the following methods and rates. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and any impairment is recognized in operations in the year identified.

Canada		
Building	30 years	straight-line
Building improvements	5 years	straight-line
Computer equipment	3 years	straight-line
Furniture and equipment	5 years	straight-line
Vehicle	3 years	straight-line
Website	5 years	straight-line
Pakistan		
Building	5%	declining balance
Electrical equipment	15%	declining balance
Computer equipment	33%	declining balance
Furniture and equipment	25%	declining balance
Vehicles	25%	declining balance

Internally restricted for capital assets

Net assets internally restricted for capital assets represents net assets that have been used to purchase capital assets.

Restricted for endowment

Net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently.

Unrestricted net assets

Unrestricted net assets represent unspent non-designated contributions accumulated over the life of the Organization.

1. Summary of significant accounting policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Endowment contributions are recognized as direct increases in net assets. Unrestricted contributions are recognized as revenue when received or receivable, provided the amount can be reasonably estimated and collection is reasonably assured.

Donations received in kind are recorded at fair value when such value can be reasonably determined. Donated supplies are recognized as revenue when received and as charitable program expenditures when distributed. During the year, the Organization recognized food donations of $3,000,000 (nil in 2024), measured using Food Banks Canada's valuation rate of $3.64 per pound.

Investment income, including dividend and rental income, is recognized when earned. Unrealized gains and losses on investments and foreign exchange are recognized in operations in the period in which they arise.

Charitable program expenditures

Charitable program expenditures are recognized based on actual amounts disbursed and confirmed payment obligations relating to charitable programs.

Allocation of expenses

The Organization incurs expenses in support of charitable programs, fundraising activities and administrative functions. Salaries are allocated based on the estimated time spent by employees on each function. Shared operating costs are allocated among functions using methodologies that management considers reasonable and appropriate in the circumstances.

Foreign currency translation

Monetary assets and liabilities of the Organization which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

Volunteer services

The Organization benefits from the services of many volunteers. As these services are not normally purchased and their fair value cannot be reasonably determined, volunteer services are not recognized in the financial statement.

2. Cash

The Organization's bank accounts are held at three financial institutions. Bank balances include $5,143,639 ($15,673,650 in 2024) denominated in U.S. dollars and $48,017 ($51,233 in 2024) denominated in Pakistan rupees.

3. Accounts receivable

	2025	2024
	$	$
Goods and Service Tax / Harmonized Sales Tax receivable	**436,998**	199,856
Other	**899,974**	732,292
	1,336,972	932,148

Accounts receivable includes $806,622 ($611,464 in 2024) denominated in U.S. dollars.

4. Long-term investments

	2025	2024
	$	$
Islamic Co-operative Housing Corporation Ltd.	**705,500**	678,800
Investia Financial	**295,397**	261,095
Investors Group	**273,561**	238,702
	1,274,458	1,178,597

The Organization's investments with Investia Financial and Investors Group consist of units in various mutual funds and are measured at fair value.

There is no quoted market value for the shares in the Islamic Co-operative Housing Corporation Ltd., therefore this investment is recorded at cost plus accumulated invested dividends.

5. Capital assets

	Cost	**Accumulated amortization**	**2025 Net book value**	2024 Net book value
	$	**$**	**$**	$
Canada				
Land	**200,000**	**—**	**200,000**	200,000
Building	**306,117**	**306,117**	**—**	—
Improvements	**92,318**	**92,318**	**—**	—
Computer equipment	**210,363**	**172,547**	**37,816**	14,526
Furniture and equipment	**149,126**	**90,027**	**59,099**	8,511
Vehicle	**8,998**	**8,998**	**—**	—
Website	**41,576**	**41,576**	**—**	—
Pakistan				
Leasehold land	**13,950**	**—**	**13,950**	13,950
Building	**836,284**	**264,174**	**572,110**	583,523
Furniture and equipment	**39,122**	**35,936**	**3,186**	3,187
Computer equipment	**4,032**	**3,682**	**350**	360
Electrical equipment	**8,251**	**5,688**	**2,563**	2,783
	1,910,137	**1,021,063**	**889,074**	826,840

6. Accounts payable and accrued liabilities

Trade payables and salary accruals includes $442,660 ($154,113 in 2024) denominated in U.S dollars, $180 ($4,845 in 2024) denominated in British pounds, nil (nil in 2024) denominated in Euros, and $13,794 ($4,064 in 2024) denominated in other currencies. Accounts payable and accrued liabilities does not include any significant government remittance payable.

7. Related party

Loan receivable

On December 29, 2025, the Organization entered into an agreement with Human Concern UK to provide an interest-free loan facility up to the amount of GBP£800,000. As of December 31, 2025, GBP£300,000 (CAD$553,715) has been provided (nil in 2024). Under the terms of the agreement, repayment is due in full in the fifth year following the advance.

On December 30, 2024, the Organization entered into an agreement with Human Concern US Inc. to provide an interest-free line of credit up to the amount of USD$1,500,000. As of December 31, 2025, USD$1,250,000 (CAD$1,777,081) has been drawn (nil in 2024). Repayment of the outstanding principal is due in instalments of USD $250,000 on December 31, 2027, USD $500,000 on December 31, 2028, and USD $750,000 on December 31, 2029, together with any unpaid fees, costs or charges due to the Lender.

Contribution agreement

During the year, the Organization also entered into project contribution agreements with Human Concern UK and Human Concern USA under which funding was provided to the Organization to support charitable programs. Under these agreements, Human Concern UK advanced project funding of GBP£510,086 (CAD$925,955) and Human Concern USA advanced project funding of USD$405,521 (CAD$563,153) during the year ended December 31, 2025. Amounts received but not yet recognized as revenue are included in deferred revenue.

8. Commitments

As at December 31, 2025, the Organization had entered into agreements to support future charitable programs. The related commitments have not been recognized as liabilities. Future payments under these agreements are expected to be made as follows:

	$
2026	18,117,453
2027	1,208,952
2028	450,489
	19,776,894

9. Closure of Pakistan office

The Organization’s Pakistan office is no longer operational. As at December 31, 2025, certain administrative matters, including the maintenance and eventual closure of local bank accounts, remain ongoing.

Certain assets located in Pakistan continue to be utilized by partner organizations in support of the Organization’s charitable activities. Management has not yet finalized its plans regarding the ultimate disposition of these assets.

10. Financial instruments

In the normal course of operations, the Organization is exposed to financial risks that may affect its operating results. The Organization manages these risks through prudent operational and financial management practices and does not use derivative financial instruments or hedging activities. The Organization is exposed to the following risks associated with its financial instruments:

Currency risk

The Organization is exposed to currency risk through cash, investments, receivables, payables, and other balances denominated in foreign currencies, including U.S. dollars and Pakistan Rupees. Fluctuations in foreign exchange rates may affect the carrying value of these balances.

Market risk

Market risk arises from the Organization's investments, the value of which may fluctuate due to changes in market conditions.

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their obligations. The Organization is primarily exposed to credit risk in connection with its accounts receivable and loans receivable.

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

11. Corresponding amounts

In certain instances, the corresponding amounts for the 2024 fiscal year have been reclassified to conform with the financial statement presentation adopted for the current fiscal year.