

SeedChange

Financial Statements

April 30, 2025



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of SeedChange

Opinion

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

- the statement of financial position as at April 30, 2025
- the statement of operations and changes in net assets 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.



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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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 17, 2025

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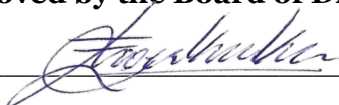
SeedChange

Statement of Financial Position

As at April 30, 2025

	2025 \$	2024 \$
Assets		
Current assets		
Cash	1,637,731	2,162,541
Accounts receivable	42,969	249,343
Advances to overseas partners and projects	492,825	733,628
Prepaid expenses	21,528	13,595
	<u>2,195,053</u>	<u>3,159,107</u>
Capital assets (note 3)	<u>147,507</u>	<u>197,179</u>
	<u>2,342,560</u>	<u>3,356,286</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	389,853	424,095
Due to SeedChange Foundation (note 5)	30,320	88,137
Deferred contributions (note 4)	1,762,660	2,825,781
	<u>2,182,833</u>	<u>3,338,013</u>
Net assets	<u>159,727</u>	<u>18,273</u>
	<u>2,342,560</u>	<u>3,356,286</u>
Commitments and contingencies (note 8)		

Approved by the Board of Directors



Director

Director

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



SeedChange

Statement of Operations and Changes in Net Assets

For the year ended April 30, 2025

	2025 \$	2024 \$
Revenue		
Global Affairs Canada	3,795,522	3,488,109
Support from foundations		
SeedChange Foundation (note 5)	725,000	940,000
Other foundations	1,362,787	2,466,680
Support from general public	629,268	771,504
Other	36,623	58,251
Investment income	35,566	33,811
	<u>6,584,766</u>	<u>7,758,355</u>
Expense (note 10)		
Program		
International	4,132,385	4,119,911
Canadian	765,130	1,791,322
	<u>4,897,515</u>	<u>5,911,233</u>
Non-program		
Administration	1,182,459	1,075,642
Fundraising	363,338	384,309
	<u>1,545,797</u>	<u>1,459,951</u>
	<u>6,443,312</u>	<u>7,371,184</u>
Excess of revenue over expense for the year	141,454	387,171
Net assets – Beginning of year	18,273	(368,898)
Net assets – End of year	<u>159,727</u>	<u>18,273</u>

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

SeedChange

Statement of Cash Flows

For the year ended April 30, 2025

	2025 \$	2024 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expense for the year	141,454	387,171
Items not affecting cash		
Gain (loss) on disposal of capital assets	3,926	(2,750)
Amortization of capital assets	46,266	47,285
Changes in non-cash working capital items		
Accounts receivable	206,374	521,455
Due to SeedChange Foundation	(57,817)	(73,850)
Advances to overseas partners and projects	240,803	303,709
Prepaid expenses	(7,933)	45,504
Accounts payable and accrued liabilities	(34,242)	28,222
Deferred contributions	(1,063,121)	470,285
	<hr/>	<hr/>
	(524,290)	1,727,031
Investing activity		
Purchase of capital assets	(520)	(3,295)
Proceed from sale of capital assets	-	5,110
	<hr/>	<hr/>
	(520)	1,815
Change in cash during the year		
	<hr/>	<hr/>
	(524,810)	1,728,846
Cash – Beginning of year		
	<hr/>	<hr/>
	2,162,541	433,695
Cash – End of year		
	<hr/>	<hr/>
	1,637,731	2,162,541

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

SeedChange

Notes to Financial Statements

April 30, 2025

1 Purpose of the organization

SeedChange (the Organization) is a leading international development organization that promotes vibrant family farms, strong rural communities and healthy ecosystems around the world. With engaged partners in Canada, Africa, Asia and Latin America, the Organization supports programs, training and policies that strengthen biodiversity, food sovereignty and the rights of those at the heart of resilient food systems: women, indigenous peoples and small-scale farmers.

The Organization is incorporated, without share capital, under provisions of the Canada Not-for-profit Corporations Act and is a registered charity under Subsection 149(1)(f) 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.

Basis of presentation

The Organization controls the SeedChange Foundation (the Foundation) as the members of the Board of Directors of the Organization are the members of the Foundation. This controlled not-for-profit entity has not been consolidated in the Organization's financial statements. Summaries of the financial position, results from operations and cash flows of the Foundation are provided in note 5.

Use of estimates

The preparation of financial statements is 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 disclosure 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 those estimates.

Advances to overseas partners and projects

Funds are recorded as advances when sent overseas and are subsequently reduced when the expenses are incurred by the overseas partner organization or on overseas projects.

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Notes to Financial Statements

April 30, 2025

Capital assets

Capital assets are initially recorded at cost and are amortized over their useful lives, using the straight-line method as follows:

Computer hardware and office equipment	5 years
Furniture	10 years
Leasehold improvements	Life of lease

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Revenue received in respect of program support is deferred until the related expenditures are incurred.

Unrestricted donations are recognized as revenue when received. Funds received designated for an activity or project by the donor are recognized as revenue when used for the purpose for which the funds were received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at year-end. Revenue and expense denominated in foreign currencies are translated at the average exchange rate for each quarter.

Donations in-kind

The Organization has received support in the form of donated airtime and column space from radio and television stations, newspapers and magazines throughout the country. The value of these donated services is not recognized in the financial statements of the Organization as the amounts cannot be readily determined.

Allocation of expenses

The Organization engages in Seeds of Survival – International, Seeds of Survival – Canadian and other international programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program.

The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs, including premises costs, information technology, insurance and general office supplies. General support expenses are allocated based on the actual days worked charged to each program (note 6).

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Notes to Financial Statements

April 30, 2025

3 Capital assets

			<u>2025</u>	<u>2024</u>
	Cost	Accumulated	Net	Net
	\$	\$	\$	\$
Computer hardware and office equipment	103,698	77,749	25,949	46,159
Furniture	116,926	107,065	9,861	20,264
Leasehold improvements	285,757	174,060	111,697	130,756
	<u>506,381</u>	<u>358,874</u>	<u>147,507</u>	<u>197,179</u>

Cost and accumulated amortization amounted to \$636,083 and \$438,904, respectively, as at April 30, 2024. In the year, the Organization disposed of capital assets with a cost of \$130,221, accumulated amortization of \$126,296 for a resulting disposal loss of \$3,926.

4 Deferred contributions

	Balance –		Amounts	Balance –
	Beginning	Funds	recognized	End of
	of year	received	as revenue	year
	\$	\$	\$	\$
Global Affairs Canada	1,874,528	3,100,807	3,795,522	1,179,813
Other foundations	951,253	946,083	1,314,489	582,847
	<u>2,825,781</u>	<u>4,046,890</u>	<u>5,110,011</u>	<u>1,762,660</u>

5 SeedChange Foundation

SeedChange Foundation has been established to accept donations, gifts, legacies and bequests for the long-term support and security of the Organization's 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.

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Notes to Financial Statements

April 30, 2025

The results of the Foundation have not been consolidated in these financial statements. Summaries of the financial position, results of operations and cash flows of the Foundation as at April 30, 2025 and 2024, and for the years then ended, are as follows.

	2025 \$	2024 \$
Financial position		
Total assets	5,459,573	5,308,901
Total liabilities	15,590	11,720
Total net assets	5,443,983	5,297,181
	5,459,573	5,308,901
	2025 \$	2024 \$
Results of operations		
Total revenue	955,865	742,252
Total expense	99,256	102,707
Excess (deficiency) of revenue over expense before contribution to SeedChange	856,609	639,545
Contribution to SeedChange	725,000	940,000
Excess (deficiency) of revenue over expense for the year	131,609	(300,455)
Cash provided by (used in)		
Operating activities	(273,900)	(472,754)
Investing activity	292,200	364,450
Financing activity – Endowment contributions recorded as direct increases in net assets	15,193	10,070
Change in cash during the year	33,493	(98,234)
Net assets of the Foundation consist of:		
	2025 \$	2024 \$
Internally restricted – Lotta Hitschmanova Legacy	4,709,522	4,577,913
Externally restricted – Endowments	734,461	719,268
	5,443,983	5,297,181

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Notes to Financial Statements

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The Organization has charged \$46,017 (2024 – \$47,297) to the Foundation, representing an allocation of employee salaries and the Organization’s 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 the Foundation are without defined terms of repayment and are non-interest bearing.

6 Allocation of expenses

General support expenses, including premises costs, information technology, insurance and general office supplies, have been allocated as follows:

	2025 \$	2024 \$
Seeds of Survival – International	60,719	49,323
Seeds of Survival – Canadian	51,816	81,034
Fundraising	30,355	31,236
	<hr/> 142,890	<hr/> 161,593

7 Government remittances

Government remittances of nil (2024 – nil) are included in accounts payable and accrued liabilities.

8 Commitments and contingencies

The Organization is committed to minimum annual payments under a lease for its head office as follows.

Year ending April 30, 2026 (11 months)	\$144,952
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Contribution agreements allow funding agencies to conduct audits to ensure project expenditures are in accordance with the terms and conditions. Ineligible expenditures, if any, may result in the Organization reimbursing a portion of the funding. Management believes the Organization has incurred no ineligible expenditures and has, therefore, not recorded any liability for reimbursement.

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Notes to Financial Statements

April 30, 2025

9 Financial instruments

The Organization 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 Organization is exposed to credit-related losses in the event of non-performance by counterparties with respect to advances to overseas partners and projects, and accounts receivable. The majority of the Organization's receivables relate to contribution agreements or service contracts with government agencies and partner organizations. The Organization assesses, on a continuous basis, its receivables 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 Organization will be unable to fulfill its obligations on a timely basis or a reasonable cost. The Organization expects to meet its obligations as they come due. The Organization mitigates its liquidity risk through budgeting and monitoring its various projects, and in obtaining financial support from the related SeedChange Foundation (note 5) as needs arise. The Organization believes that it is not exposed to significant liquidity risk arising from its financial instruments.

(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 Organization is exposed to currency risk as the value of its financial instruments will fluctuate due to changes in the exchange rate.

Contract advances received in foreign currencies are generally disbursed for expenditures in the same currencies, serving to hedge the Organization's operational exposure to foreign currency fluctuations. Advances to overseas partners and projects are held in the local, foreign currency.

(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 Organization believes that it is not exposed to interest rate risk as it does not hold fixed income investments or debt.

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(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 Organization believes that it is not exposed to other price risk as it does not hold equity investments.

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

10 Expenses

	2025	2024
	\$	\$
Salaries and benefits	2,899,427	3,229,953
Consultants	367,631	862,354
Travel	313,255	276,729
Advertising	5,598	96,577
Office expenses and supplies	183,273	247,999
Depreciation	49,722	47,285
Rent	122,140	132,125
Insurance	10,385	17,274
Program cost	2,491,881	2,463,638
Gain on disposal of capital assets	-	(2,750)
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	6,443,312	7,371,184
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