

Consolidated Financial Statements
(Expressed in thousands of dollars)

OCEAN WISE CONSERVATION ASSOCIATION

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ocean Wise Conservation Association

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of Ocean Wise Conservation Association (the "Association"), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the Association as at December 31, 2024, and its consolidated results of operations and its consolidated 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 Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied by the Association in preparing and presenting the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
April 14, 2025

OCEAN WISE CONSERVATION ASSOCIATION

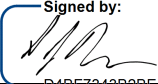
Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents (note 2(b))	\$ 8,386	\$ 6,764
Investments (note 2(a))	36,179	38,183
Accounts receivable	963	1,364
Prepaid expenses and other	529	817
	<u>46,057</u>	<u>47,128</u>
Investment in Avanqua (note 3)	1,173	1,173
Capital assets (note 4)	252	346
	<u>\$ 47,482</u>	<u>\$ 48,647</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 2,350	\$ 2,701
Deferred contributions (notes 6 and 14)	2,456	3,485
	<u>4,806</u>	<u>6,186</u>
Net assets:		
Unrestricted	10,611	9,301
Internally restricted	31,941	33,036
Endowment (note 14)	124	124
	<u>42,676</u>	<u>42,461</u>
Economic dependence (note 9)		
Commitments (note 15)		
Subsequent event (note 18)		
	<u>\$ 47,482</u>	<u>\$ 48,647</u>

See accompanying notes to these consolidated financial statements.

Approved on behalf of the Board:

Signed by:

 _____ Director

DocuSigned by:

 _____ Director

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenues:		
Programs	\$ 1,006	\$ 1,039
Grants and donations (note 9)	7,973	12,634
Investment and other income (notes 2(c), 2(d) and 3)	5,909	2,897
	14,888	16,570
Expenses:		
Conservation (note 10)	4,806	5,617
Youth and education	3,879	6,311
Communications and development	1,949	1,520
General administration	4,793	4,642
Digital strategy (note 11)	950	1,664
Amortization of capital assets	94	67
	16,471	19,821
Deficiency of revenue over expenses before undernoted	(1,583)	(3,251)
Unrealized gain on investments	1,798	1,056
Excess (deficiency) of revenue over expenses	\$ 215	\$ (2,195)

See accompanying notes to these consolidated financial statements.

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Changes in Net Assets
(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Unrestricted	Internally restricted	Endowment	2024		2023	
Balance, beginning of year	\$ 9,301	\$ 33,036	\$ 124	\$ 42,461	\$	44,656	
Excess (deficiency) of revenue over expenses	(4,207)	4,422	-	215		(2,195)	
Interfund transfers (note 7)	5,517	(5,517)	-	-		-	
Balance, end of year	\$ 10,611	\$ 31,941	\$ 124	\$ 42,676	\$	42,461	

See accompanying notes to these consolidated financial statements.

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash and cash equivalents provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 215	\$ (2,195)
Items not involving cash:		
Amortization	94	67
Bad debt expense	11	117
Unrealized gain on investments	(1,798)	(1,056)
	(1,478)	(3,067)
Changes in non-cash operating working capital:		
Accounts receivable	390	(51)
Prepaid expenses and other	288	(589)
Accounts payable and accrued liabilities	(351)	207
Deferred contributions	(1,029)	(1,172)
	(2,180)	(4,672)
Investments:		
Purchase of capital assets	-	(165)
Net redemption of investments	3,802	2,562
	3,802	2,397
Increase (decrease) in cash and cash equivalents	1,622	(2,275)
Cash and cash equivalents, beginning of year	6,764	9,039
Cash and cash equivalents, end of year	\$ 8,386	\$ 6,764

See accompanying notes to these consolidated financial statements.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

Nature of operations:

The Ocean Wise Conservation Association (the "Association") was originally incorporated in 1951 and is registered under the Societies Act (British Columbia). The Association is a registered charity as defined under the Income Tax Act and is not subject to income taxes.

The Association is a private, self-supporting, non-profit society and registered charitable organization dedicated to affecting the conservation of aquatic life and habitats in British Columbia, and worldwide by exposing the maximum number of people possible to information about the aquatic world, by playing a major role in public education, by conducting scientific research, by developing and operating conservation programs, and by developing strategic working partnerships and programs with individuals, organizations and agencies with similar goals. The Association is governed by a volunteer Board of Directors (the "Board").

During the 2023 fiscal year, the Association incorporated a new subsidiary called Fundacion Ocean Wise Chile (the "Fundacion"), a foundation in Chile. The purpose of the Fundacion is an extension of the Association's mission, to empower communities and individuals to take action to protect and restore our world's oceans. The date of incorporation was January 13, 2023 and to date, the Fundacion is not yet active.

1. Significant accounting policies:

These consolidated financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook - *Accounting*, including the following significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements include the accounts of the Association and its wholly-owned subsidiaries: Fundacion Ocean Wise Chile; Ocean Wise Consulting Services Limited, Ocean Wise Management Limited, Vancouver Aquarium Nevada LLC and Ocean Wise Research Limited. All transactions and balances between the Association and its subsidiaries have been eliminated.

Any resources which are internally restricted for future projects as approved by the Board are transferred from the unrestricted fund to the internally restricted fund. Releases from the internally restricted funds are approved through Board resolution.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with maturities at the date of acquisition of less than 90 days.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(c) Revenue recognition:

The Association follows the deferral method of accounting for contributions. Restricted non-endowment contributions received are deferred and recognized as revenue when the funds have been spent in accordance with the restrictions.

Unrestricted grants and donations are recognized only when the amounts are received or receivable if the amount can be reasonably estimated and collectability can be reasonably assured, which for donations is predominately upon receipt.

Endowment funds consist of donations for which the donor specifies that the principal amount be invested in perpetuity and are recognized directly in net assets. Interest and investment income earned on the principal portion of the endowments are externally restricted and deferred until disbursed in line with the donor restrictions. Funds will be recognized to income when disbursed in accordance with the terms of the endowment.

Program revenues are primarily related to the Seafood program and represent partner fees that are recognized as earned over the program period.

Interest and investment income are recognized when earned.

(d) Investment in Avanqua:

The Association holds 7.5% ownership interest in Avanqua Oceanogràfic-Àgora SL ("Avanqua") and accounts for its investment on a cost basis.

Investments accounted for under the cost basis are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected timing or amount of future cash flows from the investment. If there is a significant adverse change in the expected cash flows, the carrying amount of the investment is reduced to the higher of the present value of the expected cash flows and the amount that could be realized from selling the investment. When the extent of impairment of a previously written down investment decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement. Management assessed there to be no impairment for the year ended December 31, 2024.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Capital assets:

Purchased capital assets are initially recorded at cost. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life or service potential of a capital asset are capitalized.

Capital assets are amortized on a straight-line basis over the useful lives of the assets as follows:

Asset	Term
Furniture and equipment	5 to 10 years

(f) Impairment of capital assets:

The Association reviews, for impairment, the carrying value of capital assets to be held and used whenever events or changes in circumstances indicate that the asset provides reduced service potential to the Association. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

(g) Cloud computing arrangements:

The Association applies the simplified approach for cloud computing arrangements related to its Salesforce customer resource management tool whereby supply of services expenditures in the arrangement are expensed as incurred and presented under Digital Strategy in the consolidated statement of operations. Any related subscription or licensing fees paid in advance are recorded as prepaids and expensed over the coverage period.

(h) Contributed services and materials:

A number of volunteers contribute their time to the Association each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Contributed materials are recorded at fair value at the date of contribution where such fair value is determinable and the contributed materials would otherwise have been purchased.

(i) Foreign currency translation:

Monetary items denominated in a foreign currency and non-monetary items carried at market are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average rates of exchange during the year. Exchange gains and losses are included in the determination of excess (deficiency) of revenue over expenses for the period.

The Association's functional currency and reporting currency is Canadian dollars.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Association elected to carry its portfolio investments at fair value.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(k) Defined contribution pension plan:

The Association contributes to an employee's Group Registered Retirement Savings Plan. The Association's contributions, which are based on a percentage of individual employees' annual base compensation, are expensed as incurred.

(l) Use of estimates:

The preparation of these consolidated financial statements 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 revenues and expenses during the year. Areas requiring the use of management estimates include the valuation of the investment in Avanqua. Actual results could differ from those estimates.

2. Investments and cash and cash equivalents:

(a) Investments:

Investments are comprised of portfolio investments and Guaranteed Investment Certificates ("GICs") with maturity dates greater than 90-days from the acquisition date. Any GICs held at December 31, 2024 maturing within 90-days from the acquisition date have been classified as cash and cash equivalents.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Investments and cash and cash equivalents (continued):

(a) Investments (continued):

The Association manages its investments in accordance with investment policy and procedures as set by the Investment Committee. The portfolio investments, measured at fair value, as at December 31, 2024 are held by RBC Global Asset Management - PH&N Institutional, the fund manager, in the following fund types:

	2024	2023
Portfolio investments, at fair value:		
BlueBay Global Monthly Income Bond Fund	\$ 3,341	\$ 3,927
PH&N Short Core Plus Bond Fund	23,468	26,568
PH&N Canadian Equity Pension Trust	849	993
RBC QUBE Low Volatility Canadian Equity Fund	843	976
RBC Global Equity Focus Fund	2,586	2,884
RBC QUBE Low Volatility Global Equity Fund	2,592	2,835
	33,679	38,183
GICs, at amortized cost:		
CAD denominated maturing February 5, 2025 bearing interest at 4.43%	1,000	-
CAD denominated maturing March 4, 2025 bearing interest at 4.40%	1,500	-
	\$ 36,179	\$ 38,183

(b) Cash and cash equivalents:

Cash and cash equivalents include GICs denominated in Canadian dollars ("CAD") and United States dollars ("USD") with maturities of less than 90-days from the acquisition date. As at December 31, 2024, the value of GICs classified as cash and cash equivalents is \$1,223 (2023 - \$2,558), consist of the following:

Cost - in transaction currency	Transaction currency	Cost - in reporting currency	Effective interest per annum	Maturity date
\$ 250	USD	\$ 360	4.44%	January 22, 2025
600	USD	863	4.47%	February 21, 2025

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Investments and cash and cash equivalents (continued):

(c) Investment income:

The Association earns investment income on its investments, GICs and cash deposits as

Year ended	2024	2023
Interest earned on cash deposits and GICs	\$ 271	\$ 550
Dividend income	140	178
Interest income	1,198	1,184
Capital gains distribution	453	138
	\$ 2,062	\$ 2,050

(d) Earnout income:

Pursuant to the Asset Purchase Agreement related to the sale of Vancouver Aquarium (the "Aquarium") operations and related assets effective April 27, 2021 ("effective date"), the Association is entitled to a one-time earnout amount based on the Aquarium's growth and deferred maintenance costs related to its assets included in the sale between the effective date and December 31, 2023. Additionally, the Aquarium will pay to the Association an annual non-repayable contribution, over ten years, commencing 2022 and ending 2032, in the amount that is equal to 1% of the Aquarium's annual gross revenue.

Included in investment and other income on the consolidated statement of operations are \$2,625 (2023 - nil) related to earn-out income and \$491 (2023 - \$881) related to annual contribution.

3. Investment in Avanqua:

In April 2015, the Association acquired a 30% interest for €900 (CAD\$1,216) in Avanqua Oceanogràfic SL ("Avanqua"), a for-profit entity, incorporated in Spain. Avanqua was awarded the contract to undertake the operation of an aquarium, the Oceanogràfic, and certain other facilities within the City of Arts and Sciences (Ciudad de las Artes y de las Ciencias) in Valencia, Spain. The contract for operations runs until July 31, 2030.

During the year ended December 31, 2021, the equity interest in Avanqua was reduced to 7.5% and the Association no longer exercises significant influence, therefore the investment is now measured at cost. As at December 31, 2024 the value of the investment is €750 (CAD\$1,173) (2023 - €750 (CAD\$1,173)).

Included in investment and other income on the consolidated statement of operations is USD\$452 (CAD\$641) (2023 - nil) for dividends received from Avanqua.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

4. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	\$ 804	\$ 552	\$ 252	\$ 346

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$269 (2023 - \$113), which includes amounts payable for PST, payroll related taxes and BC Employer Health Tax.

6. Deferred contributions:

	Grants	Other	Total
Balance, December 31, 2022	\$ 4,597	\$ 60	\$ 4,657
Funds received	8,293	31	8,324
Amounts recognized into revenue	(9,496)	-	(9,496)
Balance, December 31, 2023	3,394	91	3,485
Funds received	4,187	5	4,192
Amounts recognized into revenue	(5,221)	-	(5,221)
Balance, December 31, 2024	\$ 2,360	\$ 96	\$ 2,456

Deferred contributions consist of grants and deferred endowment investment income (note 14) received that are restricted for specific programs.

7. Interfund transfers:

During the year, \$5,517 (2023 - \$5,782) was transferred from the Internally restricted fund to the Unrestricted fund to support conservation programs and investments in essential infrastructure for the Association. Internally restricted funds are restricted for future upgrades to infrastructure, including development and implementation of new digital and fundraising strategies, platform and software upgrades, and investments in staff to be able to deliver on organizational goals. These funds are released through Board approval.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

8. Employee future benefits:

The Association contributes up to 6.0% of regular earnings to an employees' Group Registered Retirement Savings Plan. Employer contributions in the period ending December 31, 2024 were \$252 (2023 - \$215).

9. Economic dependence:

The Association is economically dependent upon funding from the federal government of Canada. During 2024, 57% of grants and donations (2023 - 61%) and 30% of total revenues (2023 - 50%) is comprised of funding from various federal government departments and agencies. Federal government funding recognized in grants and donations revenue in the fiscal year consist of the following:

Period ended	2024	2023
Employment and Social Development Canada	\$ 1,892	\$ 4,447
Environment and Climate Change Canada	1,454	1,439
Fisheries and Oceans Canada	837	1,651
Transport Canada	173	351
Other	170	343
	\$ 4,526	\$ 8,231

10. Grant to Entertainment Industry Foundation ("EIF"):

During the year ended 2023, the Association signed a master grant agreement and a fiscal sponsorship agreement with EIF, a California public benefit organization located in the US, that went into effect on January 1, 2024. The purpose of this agreement is to form a partnership with EIF to further the Association's charitable activities in the US.

EIF provides financial and administrative services to the Association for the purpose of managing grant funding it received that will be used to establish various charitable projects under the advisory of the Association. An administrative fee of 9% is charged to the Association on any funding received by EIF in relation to this project. On January 8, 2024, the Association provided a grant funding to EIF in the amount of USD\$400 (CAD\$535) (2023 - nil). The Association included the grant funding in conservation expense during the period it is disbursed.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

11. Digital strategy:

In December 2021 the board approved a major multi-year strategic initiative for digital strategy in order to position the Association for future growth and impact. Costs related to this project include preparation of a comprehensive digital strategy that was completed in 2022 and subsequently include implementation activities related to development of a customer-facing engagement portal and a customized Salesforce customer resource management tool for internal use. These costs are considered to be an investment to improve the Association's administration support function with widespread impact to the organization's conservation programs. These costs are expensed as incurred.

12. Remuneration of employees, contractors and directors:

During the period ended December 31, 2024, the Association paid total remuneration of \$4,709 (2023 - \$4,378) to 36 (2023 - 35) remunerated employees and contractors for services, each of whom received total annual remuneration of \$75 or greater.

The Association did not pay any remuneration to any members of the Board of Directors during the year.

13. Funds held at Vancouver Foundation:

The Association is the beneficiary of certain funds held in perpetuity by the Vancouver Foundation. Income received during the period ended December 31, 2024 was \$64 (2023 - \$60) and is recorded in investment and other revenue in the statement of operations.

As at December 31, 2024, the funds had a total market value of \$1,400 (2023 - \$1,302) and cost of \$755 (2023 - \$755). The Association has no access to the capital of these funds and, accordingly, the funds are not reflected in these consolidated financial statements.

14. Endowment funds:

The Ocean Wise Conservation Foundation (the "Foundation") previously operated under common management with the Association for the purpose of funding to charitable organizations including the Association. During 2022, the Foundation's Board made a decision to no longer support the Association. Effective June 6, 2022, an agreement was reached whereby the Foundation would become administratively independent from the Association and both parties agreed on mutual release from one another. The endowment funds previously held at the Foundation were divided between the Foundation and the Association, with the Association initially receiving two endowments totaling \$184 in 2022. Of this amount \$124 was the principal portion of the endowments which has been recorded as direct increase in net assets, and \$60 was the income earned to date for distribution that is subject to external restrictions imposed by the donors which was recorded as part of deferred contributions. As at December 31, 2024, accumulated unspent interest income included in deferred contributions is \$96 (2023 - \$91).

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

15. Commitments:

The Association is committed to minimum annual payments under an operating lease for office space, as follows:

2025	\$	220
2026		110
	\$	330

16. Credit facilities:

The Association has a revolving demand facility to assist in general operations. This facility can be drawn on up to maximum of \$1,000. The facility bears interest at prime rate plus 0.40%. Security for the borrowings includes a signed general security agreement constituting a first ranking security interest in all personal property held by the Association. As at December 31, 2024, the outstanding balance on the credit facility was nil (2023 - nil).

17. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) 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 Association is exposed to credit risk arising from its accounts receivable and cash and cash equivalents. Management monitors the collectability of its receivables and makes allowance provisions as required. Cash and cash equivalents and investments are held with Canadian Chartered banks and reputable fund managers where credit risk is considered low.

(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. The Association has investments in pooled funds which are subject to risks arising to changes in market conditions. The Association manages this risk through a Board approved investment policy.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

17. Financial risks (continued):

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate instruments are subject to fair value risk while floating rate instruments are subject to cash flow risk. The Association's fixed rate GICs (note 2) are subject to fair value risk.

(e) Currency risk:

The Association is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Association makes purchases denominated in U.S. dollars and has corresponding USD accounts payable of nil outstanding as at December 31, 2024 (2023 - USD\$73 (CAD\$97)). The Association also holds investments in Global Equity funds which are invested in various foreign currency denominated securities, with heavier weighting in US dollars.

The Association does not currently enter into forward contracts to mitigate currency risks.

There has been no significant change to the risk exposures from 2023.

18. Subsequent events:

Subsequent to year end, a dividend was proposed by the Board of Directors of Avanqua on March 26, 2025 in the amount of €8,941. The Association's portion of the proposed dividend is valued at €671. This dividend distribution is subject to approval at a Member's meeting in June 2025.

19. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.