FINANCIAL STATEMENTS

CLEAR SEAS CENTRE FOR RESPONSIBLE MARINE SHIPPING SOCIETY

March 31, 2026

INDEPENDENT AUDITORS' REPORT

To the Members of
Clear Seas Centre for Responsible Marine Shipping Society

Opinion

We have audited the financial statements of Clear Seas Centre for Responsible Marine Shipping Society (the Society), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2026, 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 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 report. We are independent of the Society 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 audit 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 these 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:

INDEPENDENT AUDITORS' REPORT (CONT'D)

- 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 Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

The comparative financial statements for the year ended March 31, 2025 were audited by another firm of chartered professional accountants who expressed an unqualified opinion in their report dated September 25, 2025.

Tompkins Wozny LLP

Vancouver, Canada
September 18, 2026

Chartered Professional Accountants

Clear Seas Centre For Responsible Marine Shipping Society

STATEMENT OF FINANCIAL POSITION

As at March 31

	2026 $	2025 $
ASSETS		
Current		
Cash	**945,155**	1,284,663
Restricted short-term investment *[note 3]*	**50,000**	50,000
Accounts receivable	**351,482**	229,951
GST receivable	**16,042**	35,736
Deposits and prepaid expenses	**2,840**	17,902
	1,365,519	1,618,252
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**60,558**	114,721
Deferred revenue	**20,000**	49,500
	80,558	164,221
NET ASSETS		
Unrestricted	**1,284,961**	1,454,031
	1,365,519	1,618,252

Commitments *[note 8]*
Subsequent event *[note 10]*

See accompanying notes to the financial statements

On behalf of the Board:

Serge Le Guellec
Serge Le Guellec (Sep 19, 2026 13:36:02 EDT)
Director

Jane Weldon
Jane Weldon (Sep 18, 2026 22:18:54 EDT)
Director

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended March 31

		2026 $	2025 $
REVENUE *[note 4]*			
Contributions and recoveries	- Department of Fisheries and Oceans	**913,490**	449,200
	- Pacific Economic Development Canada	**595,596**	367,354
	- Vancouver Fraser Port Authority	**400,000**	400,000
	- MEOPAR Incorporated	**176,750**	—
	- Port of Halifax	**42,750**	23,250
	- Canadian Coast Guard	**38,000**	—
	- Students On Ice Foundation	**30,000**	—
	- Workforce Warriors Inc.	**25,000**	25,000
	- Ducks Unlimited Canada	**16,000**	25,000
	- Transport Canada	**5,000**	79,000
	- Prince Rupert Port Authority	**—**	100,000
	- National Research Council of Canada	**—**	68,062
Donations and other income		**38,900**	1,101
Interest		**28,896**	67,077
		2,310,382	1,605,044
EXPENSES			
Salaries and human resources *[note 6]*		**1,276,674**	1,239,800
Indigenous programs *[note 6]*		**588,624**	218,512
Communication and engagement		**212,710**	260,263
Research and development		**160,562**	152,912
Board fees and expenses *[note 7]*		**102,357**	100,434
Office and rent		**47,719**	50,527
Professional fees		**35,430**	44,645
GST		**29,435**	17,094
Information technology		**25,941**	28,853
		2,479,452	2,113,040
Excess of expenses for the year		**(169,070)**	(507,996)
Net assets, beginning of year		**1,454,031**	1,962,027
Net assets, end of year		**1,284,961**	1,454,031

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

For the year ended March 31

	2026 $	2025 $
OPERATING ACTIVITIES		
Excess of expenses for the year	**(169,070)**	(507,996)
Changes in non-cash operating working capital items:		
Amounts receivable	**(121,531)**	357,373
Deposits and prepaid expenses	**15,062**	(4,142)
GST receivable	**19,694**	(9,147)
Accounts payable and accrued liabilities	**(54,163)**	(3,293)
Deferred revenue	**(29,500)**	49,500
Cash used in operating activities	**(339,508)**	(117,705)
INVESTING ACTIVITIES		
Purchase of restricted short-term investments	—	(25,000)
Cash used in investing activities	—	(25,000)
Decrease in cash for the year	**(339,508)**	(142,705)
Cash, beginning of year	**1,284,663**	1,427,368
Cash, end of year	**945,155**	1,284,663

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

1. NATURE OF OPERATIONS

Clear Seas Centre for Responsible Marine Shipping Society (the "Society") was incorporated on November 6, 2013 under the Societies Act (British Columbia). The goal of the Society is to promote and facilitate research and regulatory frameworks that deliver the highest standards in safe and sustainable marine shipping including, but not limited to, shipment of Canada's oil and liquefied natural gas commodities. The Society is exempt from taxes under section 149(1)(l) of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured.

Amounts received relating to future periods or for which the related expenditures have not yet been incurred are recorded as deferred revenue and recognized as revenue when the applicable conditions have been met.

Interest and donation income is recognized as revenue when earned.

Use of Estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include recoverability of amounts receivable and accrual of liabilities. While management believes these estimates are reasonable, actual results could differ from the estimates and could impact future results of operations and cash flows.

Measurement of Financial Instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue (expenses) for the year. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in surplus of receipts over expenditures provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in surplus of receipts over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, short-term investments, GST receivable, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end.

Restricted Short-term Investment

Restricted short-term investments consist of guaranteed investment certificates and similar instruments held for specific purposes and are recorded at amortized cost. The Society's restricted short-term investment is described in Note 3.

3. RESTRICTED SHORT-TERM INVESTMENT

Short-term investment consists of a guaranteed investment certificate ("GIC") bearing 2.45% interest per annum [2025 - 3.80%] held as security for the Society's credit cards. The GIC matures within the next fiscal year.

4. REVENUE

Department of Fisheries and Oceans

On March 30, 2023, the Society signed a contribution agreement with Department of Fisheries and Oceans for a total eligible contribution of $1,250,100, for the period April 1, 2023 to March 31, 2026. On September 9, 2025, the agreement was amended to increase the total eligible contribution to $1,741,890 with $913,490 claimable for fiscal 2026. The Society gets reimbursed for eligible expenses (as defined in the agreement).

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

4. REVENUE (CONT'D)

Pacific Economic Development Canada

On March 12, 2024, the Society signed a contribution agreement with Pacific Economic Development Canada that reimburses the Society for eligible expenses (as defined in the agreement) for a total contribution $1,750,000. The eligible expenditure period is effective November 2023 to March 2027.

Vancouver Fraser Port Authority

On January 19, 2024, the Society signed a grant agreement for a total of $1,200,000 from the Vancouver Fraser Port Authority, receivable in instalments from January 2024 to January 2026. The grant is being recognized as revenue on a straight-line basis over the term of the agreement.

Marine Environmental Observation Prediction And Response Network ("MEOPAR")

On November 14, 2024, the Society signed a funding agreement with MEOPAR for a total funding of $55,000 receivable in two instalments. The first instalment was due upon signature of the agreement and the second instalment was due on September 30, 2025. The funding may only be used on eligible costs as listed on the approved budget. No eligible costs were incurred in fiscal 2025 so the $49,500 received was been recognized as deferred revenue. The full $55,000 was expensed in fiscal 2026 and all revenue was recognized.

The Society signed a funding agreement with MEOPAR Incorporated for total funding of $116,750 to support the Indigenous Internship Program. The funding was restricted to eligible costs outlined in the approved project budget. During fiscal 2026, the Society incurred eligible expenditures of $116,750 and recognized the full amount as revenue.

On February 26, 2026, the Society received approval from MEOPAR Incorporated for funding of $25,000 under the Community-led Research Seed Fund to support the Shipping and Ocean Conservation Integration (SOC-I) project. The funding is intended to support eligible research activities in accordance with the approved project budget. During fiscal 2026, the Society incurred eligible expenditures of $5,000 and recognized this amount as revenue. The remaining $20,000 has been recorded as deferred revenue and will be recognized as revenue as the related project expenditures are incurred. The project is scheduled for completion on November 30, 2026.

Port of Halifax

On October 7, 2024, the Society signed a funding agreement for a total of $43,500 from the Port of Halifax receivable in two instalments with the first instalment receivable following the signature of the agreement and the second instalment receivable upon completion of the hydrogen microsite project.

4. REVENUE (CONT'D)

On August 25, 2025, the Society signed a funding agreement for a total of $22,500 from the Port of Halifax receivable in one instalment following the signature of the agreement for the completion of the Future of Navigational Risk Management - Phase II: Remove Pilotage in Canada project.

Canadian Coast Guard

On August 7, 2025, the Society signed a contract with Canadian Coast Guard (Fisheries and Oceans Canada) for $38,000 to conduct a market assessment of marine industry emergency towing capability. The contract term ended September 30, 2025, with funding payable in two instalments upon completion of project milestones. Revenue is recognized over the term of the contract as the related services are provided.

Students On Ice Foundation

On May 28, 2025, the Society signed a funding agreement with the SOI Foundation for up to $30,000 to support the 2025 Indigenous Internship Program. The funding supports eligible program costs for Indigenous interns, including training, travel, research activities, and mentorship. During fiscal 2026, the Society incurred eligible expenditures of $30,000 and recognized the full amount as revenue.

Workforce Warriors Inc.

On October 5, 2024, the Society signed a project agreement with Canada's Ocean Supercluster, Workforce Warriors Inc. and Information and Communications Technology Council of Canada. The Society receives participant wages of $75,000 in three instalments from October 1, 2024 to September 30, 2027. The grant is being recognized as revenue on a straight-line basis over the term of the agreement.

Ducks Unlimited Canada

On March 1, 2025, the Society signed a professional service agreement with Ducks Unlimited Canada for a total of $41,000 receivable in two instalments. The first instalment is due on March 31, 2025 and the second instalment is due on May 1, 2025.

Transport Canada

On December 29, 2023, the Society signed a contribution agreement with Minister of Transport that reimburses the Society for eligible expenses (as defined in the agreement) for a total contribution of $126,000 receivable in instalments from December 29, 2023 to March 31, 2025. On February 10, 2025, the agreement was extended to September 30, 2025. The eligible expenditure period is effective December 29, 2023 to September 30, 2025.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

5. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2026.

Credit Risk

The Society's exposure to credit risk is indicated by the carrying value of its accounts receivable. The Society mitigates this risk by reviewing and monitoring these balances.

Liquidity Risk

Liquidity risk is the risk that the Society cannot meet the demand for cash or fund its obligations as they become due. Management minimizes its exposure to liquidity risk by regular monitoring of cash flows.

Interest Rate Risk

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The Society's exposure to interest rate risk is limited due to the short-term nature of its cash and investment balances.

6. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration paid to employees and contractors who are paid $75,000 or more during the fiscal year. The Society paid remuneration, including benefits, totaling $938,078 [2025 - $741,913] to eight employees [2025 - six] who each received remuneration in excess of $75,000 during the fiscal year.

There were three contractors who each received remuneration in excess of $75,000. Collectively, they were paid $451,781, which is recorded within Indigenous programs expense.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

7. RELATED PARTY TRANSACTIONS

The following remuneration was paid to members of the board of directors and is included in the Board fees and expenses:

	2026 $	2025 $
Chair Person	**13,000**	12,000
Chair of Finance and Audit Committee and Secretary Treasurer	**11,000**	10,750
Chair of Governance and Human Resource Committee	**10,750**	10,250
Vice Chair	**9,833**	10,500
Director	**9,250**	9,125
Director	**9,000**	8,750
Director	**6,563**	1,813
Director	**4,750**	—
Director	**—**	9,000
	74,146	72,188

The above amounts represent remuneration paid to directors in accordance with the Society's remuneration policies and are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. COMMITMENTS

i) Programming

The Society has committed to provide funding of $115,500 to Camosun College during fiscal 2027 in support of educational marine certification and programming.

ii) Lease

During the year, the Society entered into a sublease agreement for office space located at the Marine Building in Vancouver. The agreement commenced on December 1, 2025 and expires on November 30, 2028, with an option to extend the term to November 30, 2033 by mutual consent.

The Society's committed base rent payments under the agreement are as follows:

	$
2027	**16,303**
2028	**16,428**
2029	**10,977**
	43,708

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

9. COMPARATIVE FIGURES

The comparative figures for the year ended March 31, 2025 were reported on by another firm of chartered professional accountants who expressed an unqualified opinion thereon in their report dated September 25, 2025.

10. SUBSEQUENT EVENT

On July 16, 2026, the Canada Revenue Agency approved the Society's application for charitable status, effective April 1, 2026.

FS26 - CSCRMSS (Final)

Final Audit Report 2026-09-19

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