U.H.A. RESEARCH SOCIETY

UNCONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
U.H.A. Research Society

We have reviewed the accompanying unconsolidated statements of the U.H.A. Research Society that comprise the unconsolidated statement of financial position as at December 31, 2025 and the unconsolidated statements of operations, changes in net assets, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud of error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying unconsolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unconsolidated financial statements do not present fairly, in all material respects, the unconsolidated financial position of the U.H.A. Research Society as at December 31, 2025, and the unconsolidated results of its changes in net assets, operations, and cash flow for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Victoria, BC
May xx, 2026

Allen & Krauel Inc.
Chartered Professional Accountants

U.H.A. RESEARCH SOCIETY

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(Unaudited)

	2025	2024
ASSETS		
Current		
Cash	$ 537,110	$ 1,172,338
Term deposits (note 3)	566,759	416,258
Accounts receivable	158,240	118,644
Current portion of loan receivable (note 4)	15,000	-
Prepaid expenses	59,074	74,773
	1,336,183	1,782,013
Investments (note 5)	2,741,638	2,652,544
Loan receivable (note 4)	30,000	-
Due from affiliate (note 6)	1,595,211	1,418,392
Tangible capital assets (note 7)	19,463	13,987
Other asset (note 8)	11,200	11,200
	$ 5,733,695	$ 5,878,136
LIABILITIES		
Current		
Accounts payable	$ 239,534	$ 210,506
Accrued liabilities	26,914	23,926
Goods and services tax payable	-	3,134
Workers' compensation board payable	1,787	1,893
Unearned revenue	390,140	496,810
	658,375	736,269
NET ASSETS		
Net assets invested in tangible capital assets	30,663	25,187
Pre-seed harvest fund (note 9)	283,577	283,577
Net assets internally restricted (note 10)	2,741,638	2,652,544
Unrestricted net assets	2,019,442	2,180,559
	5,075,320	5,141,867
	$ 5,733,695	$ 5,878,136

Approved by the directors

_____ Director

_____ Director

U.H.A. RESEARCH SOCIETY

UNCONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025
(Unaudited)

	Net assets invested in tangible capital assets	Pre-seed harvest fund	Net assets internally restricted	Unrestricted net assets	2025	2024
Net assets, beginning of year	$ 25,187	$ 283,577	$ 2,652,544	$ 2,180,559	$ 5,141,867	$ 5,221,464
Shortage of revenues over expenses	(4,606)	-	-	276,447	271,841	149,460
Internally restricted net assets interest earned and fair value measurement	-	-	89,094	-	89,094	115,439
Transfer of 2023 fiscal year surplus to 2025 operations	-	-	-	(427,482)	(427,482)	(344,496)
Tangible capital assets acquired	10,082	-	-	(10,082)	-	-
Net assets, end of year	$ 30,663	$ 283,577	$ 2,741,638	$ 2,019,442	$ 5,075,320	$ 5,141,867

U.H.A. RESEARCH SOCIETY

UNCONSOLIDATED STATEMENT OF OPERATIONS
DECEMBER 31, 2025
(Unaudited)

	2025	2024
Revenue		
Dues and fees	$ 2,077,830	$ 1,879,787
Geoduck sales - aquaculture	238,759	241,139
Government funding	102,848	88,145
Other income	19,273	24,877
Interest income	11,511	31,028
	2,450,221	2,264,976
Fishery operations expense		
Monitoring	1,048,860	1,117,204
Water quality and PSP testing	961,659	734,769
Management	79,328	65,772
Aquaculture harvesting	39,997	52,485
	2,129,844	1,970,230
Market promotion		
Trade shows	129,766	126,707
Market branding	59,906	65,771
Market promotion	4,095	6,757
	193,767	199,235
General and administrative		
Executive director fees	153,949	177,936
Legal and government relations	127,827	79,750
Officer fees	63,551	63,716
Office, donations and travel	62,859	66,240
Accounting	23,500	22,841
Insurance and rent	14,039	13,507
Consulting	6,952	4,324
Amortization	4,606	3,274
Workers' compensation board	1,787	1,893
	459,070	433,481
	2,782,681	2,602,946
Shortage of revenue over expenses before controlled entity income	(332,460)	(337,970)
Controlled entity income	176,819	142,934
Shortage of revenue over expenses before equity allocations	(155,641)	(195,036)
Surplus and fund transfers	427,482	344,496
Excess of equity allocations and revenue over expenses	$ 271,841	$ 149,460

U.H.A. RESEARCH SOCIETY

UNCONSOLIDATED STATEMENT OF CASH FLOW
DECEMBER 31, 2025
(Unaudited)

	2025	2024
Operating activities		
Excess of equity allocations and revenue over expenses	$ 271,841	$ 149,460
Add charges to operations not requiring a current cash payment:		
Amortization	4,606	3,274
Controlled entity income	(176,819)	(142,934)
Surplus and fund transfers	(427,482)	(344,496)
	(327,854)	(334,696)
Net change in non-cash working capital balances related to operations		
Accounts receivable	(39,596)	113,766
Prepaid expenses	15,699	(791)
Accounts payable	29,028	102,632
Accrued liabilities	2,988	237
Goods and services tax payable	(3,134)	1,792
Workers' compensation board payable	(106)	(232)
Unearned revenue	(106,670)	175,692
	(101,791)	393,096
Cash (used in) provided by operating activities	(429,645)	58,400
Investing activities		
Loan receivable advanced	(45,000)	-
Disposal of investments	3,068,802	1,832,098
Purchase of investments	(3,308,397)	(1,334,155)
Additions to tangible capital assets	(10,082)	(4,494)
Equity in net assets, internally restricted	89,094	115,439
Equity in net assets, unrestricted	(427,482)	(344,496)
Cash (used in) provided by investing activities	(633,065)	264,392
Equity allocations activities		
Surplus and fund transfers	427,482	344,496
Net (decrease) increase in cash during the year	(635,228)	667,288
Cash position, beginning of year	1,172,338	505,050
Cash position, end of year	$ 537,110	$ 1,172,338

Cash position consists of cash on deposit.

UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025
(Unaudited)

1. Purpose of the organization

The U.H.A. Research Society was incorporated under the Society Act in the Province of British Columbia on November 28, 1988, without share capital. The society is a provincial organization aimed at conducting monitoring programs within the Geoduck fishery. The society is a tax-exempt body under Section 149 of the Income Tax Act.

2. Significant accounting policies

The financial statements of the society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Items subject to estimation include prepaid expenses, accrued liabilties, unearned revenue, and amortization of tangible capital assets.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Tangible capital assets
Tangible capital assets are stated at cost and are amortized on a declining balance basis, based on the estimated useful life of the assets to the society. The annual rates are set out in note 7. In the year of acquisition, half the specified rate is applied.

Unearned revenue
Unearned revenue represents funds received in the current year that relate to revenue of a subsequent period.

Revenue recognition
The society follows the deferral method of accounting. Fees, grants, funding and interest are recorded as earned at gross amounts in the year to which they apply. None of the revenue received by the society for the year ended December 31, 2025 is considered restricted, except as is noted in notes 9 and 11.

2. Significant accounting policies (continued)

Surplus (deficiency) of revenues over expenditures
During the year 2004, the membership approved a policy to adjust the budgeted annual membership fees required to be paid by each member, beginning with the 2005 fiscal year, to take into account any operating surplus or deficit, beginning with the 2003 fiscal year, incurred in the second preceding fiscal year. During the 2025 fiscal year the 2023 operating surplus in the amount of $427,482 was transferred to the 2025 fiscal year operating funds. The effect of the current year, December 31, 2025 surplus, in the amount of $95,021 before the application of the equity method of accounting for West Coast Geoduck Research Corp., a controlled entity, will be to decrease the total annual membership fees, required to be paid by the total membership, by $95,021 for the 2027 fiscal year.

Financial Instruments

Measurement of financial instruments
The society initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, loan receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down or subsequent reversal, if any, is recognized in net income.

Transaction costs
The society recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. Term deposits

During the year, the society invests funds, that are not required immediately, in Canadian Imperial Bank of Commerce cashable guaranteed investment certificates. The guaranteed investment certificates bear interest at variable rates equal to the Canadian Imperial Bank of Commerce prime rate less a spread ranging from 2.45% to 2.70%, and mature on July 28, 2026 and August 10, 2026. The interest rates in effect at year end ranged between 1.75% and 2.00%. The certificates are recorded at amortized cost. As at the year end, the carrying value of the guaranteed investment certificates, including accrued interest was $566,759 (2024 - $416,258).

4. Loan receivable

Loan due from Whittaker Offshore Services LTD., repayable without interest payable on the unpaid principal, beginning on July 17, 2025. The loan will be repaid in consecutive yearly instalments of a minimum of $15,000 per year, repayment commencing on July 17, 2026 and continuing on the 17 of July of each following year until July 17, 2028 with the balance then owing being paid at that time. The loan is secured by a 2009 custom welded aluminum zodiac.

5. Investments

The investments, internally restricted, are investments in bank and provincial notes and bonds held with RBC Dominion Securities Inc.. The investments are initially recorded at cost and are subsequently carried at fair value at each reporting date. The fair value of the internally restricted investments and the corresponding equity in net assets, internally restricted at December 31, 2025 is $2,741,638 (2024 - $2,652,544).

6. Due from affiliate

The U.H.A. Research Society controls West Coast Geoduck Research Corp., a for profit entity, incorporated September 23, 2008 under the Business Corporations Act in the Province of British Columbia, incorporation number BC0835575. The purpose of West Coast Geoduck Research Corp. is to conduct scientific research and experimental development activities within the Geoduck fishery.

The U.H.A Research Society controls results from a continuing ability to determine the operating policies of West Coast Geoduck Research Corp. and the appointment of the corporation's board of directors. Due to the society's ability to control the corporation, the society accounts for the controlled corporation using the equity method and therefore the results of the operations of the corporation have not been consolidated into the society's unconsolidated financial statements. Financial statements for West Coast Geoduck Research Corp. are provided to all members of the U.H.A. Research Society.

West Coast Geoduck Research Corp. Financial Position

	2025	2024
Total assets	$ 1,646,220	$ 1,489,536
Total liabilities	$ 51,005	$ 71,140
Total shareholders' equity	1,595,215	1,418,396
	$ 1,646,220	$ 1,489,536

6. Due from affiliate (continued)

West Coast Geoduck Research Corp. Statement of Income and Retained Earnings

	2025	2024
Total revenues	$ 1,354,230	$ 1,388,158
Total expenses	1,177,411	1,245,224
Net income	$ 176,819	$ 142,934

West Coast Geoduck Research Corp. Statement of Cash Flow

	2025	2024
Cash provided by operating activities	$ 166,916	$ 195,040
Cash used in investing activities	(63,064)	(130,740)
Net increase in cash	$ 103,852	$ 64,300

Liabilities of West Coast Geoduck Research Corp. in the amount of $51,005 include advance payments in the amount of $-Nil- for the 2026 fiscal and calendar year received from geoduck licence holders for the purpose of conducting scientific research and experimental development activities during 2026.

7. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024	Amortization Rate
Boat - Tony I	$ 185,049	$ 178,124	$ 6,925	$ 8,147	20%
Computer equipment	15,765	11,285	4,480	2,988	1/10
Electronic equipment	570	463	107	134	1/10
Tools and equipment	66,813	58,862	7,951	2,718	20%
	$ 268,197	$ 248,734	$ 19,463	$ 13,987	

8. Other asset

Balance consists of a fishing licence, which is recorded at cost. The fishing licence is an intangible asset with an indefinate life, and is not subject to amortization.

9. Pre-seed harvest fund

During the year there were net funds transferred to the pre-seed harvest fund from pre-seed harvest activity in the amount of $Nil (2024 – $Nil). The pre-seed harvest activity, revenues less expenses, has historically been accounted for separately.

The directors passed resolutions, on March 18, 2020, to further protect the U.H.A. Research Society against unforeseen loss of income, unanticipated expenditures or capital expenditures of a non-recurring nature incurred in the course of carrying out the activities of the Society. The resolutions included the re-designation of the Land and Building Fund as the Pre-seed Harvest Fund and a transfer of funds from the Pre-seed Harvest Fund to the Internally Restricted fund in the amount of $943,143. The transfer of funds to the Internally Restricted Fund was made on April 6, 2020.

10. Net assets internally restricted

During the year 2004 the membership approved the establishment of a reserve to protect the U.H.A. Research Society against unforeseen loss of income, unanticipated expenditures or capital expenditures of a non-recurring nature incurred in the course of carrying out the activities of the society. The reserve was established as an amount equal to the December 31, 2003 net assets unrestricted of $1,384,909, less the excess of revenues over expenses for the year ended December 31, 2003 of $95,397 for a net amount of $1,289,512. The reserve is to be maintained together with the interest earned thereon and the reserve, together with the interest earned thereon, is not to form part of the general revenue of the society. The reserve balance, measured at fair value as at December 31, 2025, is $2,741,638.

11. Transfer from net assets internally restricted

During previous years the directors have authorized a transfer from equity in net assets, internally restricted, to the annual operating funds in an amount to cover legal expenses in excess of the amount budgeted for the fiscal year. The legal expenses for 2025 did not exceed budget.

12. Contracts

In the normal conduct of the Society's affairs there are numerous contracts entered into which are subject to renewal or adjustment on an annual basis.

13. Government funding

Included in accounts receivable is $37,414 for market promotion costs related to the Agriculture and Agri-Food Program incurred from October 1, 2025 to the year end, December 31, 2025. A claim for the full claim period April 1, 2025 – March 31, 2026 will be submitted for payment subsequent to year end, when all related costs have been incurred. As at the financial statement date, the claim has not yet been finalized.

During the year the society entered into a contribution agreement with the Buy BC program with the intention to grow domestic market demand for geoduck from Canada. The society received $29,214 (2024 - $Nil) in funding in the current year related to this program.

14. Financial instruments and risk management

The society's financial instruments consist of cash, term deposits, accounts receivable, loan receivable, investments, accounts payable and accrued liabilities. Transactions in financial instruments may result in financial risks being assumed by the society. The risks identified by the society are as follows:

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

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.

Liquidity risk is the risk that the society will encounter difficulty in meeting obligations associated with financial liabilities.

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.

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.

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.

It is management's opinion that the society is not exposed to significant credit, interest, liquidity or market risk arising from these financial instruments.

15. Director and member remuneration

Under the British Columbia Societies Act there is a requirement to disclose the remuneration paid to all directors, to the ten highest paid employees who are paid at least $75,000 annually, and to all contractors who are paid at least $75,000 annually.

During the year, the society paid $110,191 (2024 - $113,274) in total remuneration and expense reimbursements to directors and members. The amounts paid were $25,204 for expense reimbursements, and $84,987 for officer and co-ordination fees. There were no directors or members who earned an excess of $75,000.

There was one contractor paid in excess of $75,000 annually, and the total remuneration paid for the current year was $95,209 (2024 - $87,302).