Financial statements of
Islamic Relief - IR Canada

December 31, 2025

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Independent Auditor's Report

To the Board of Directors of
Islamic Relief Canada

Opinion

We have audited the financial statements of Islamic Relief Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenue and expenditures, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 20, 2026

Islamic Relief-IR Canada

Statement of financial position

As at December 31, 2025

	Notes	2025 $	2024 $
Assets			
Current assests			
Cash		**14,022,431**	22,305,307
Prepaid expenses		**647,909**	591,675
Other receivables		**2,987,082**	666,294
		17,657,422	23,563,276
Long-term investments	2, 3 and 9	**6,737,114**	4,915,446
Capital assets	4	**3,720,210**	3,139,456
		28,114,746	31,618,178
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	**16,176,447**	11,112,585
Net assets			
Endowment fund		**946,265**	946,263
Net investment in capital assets		**3,720,208**	3,139,456
Unrestricted fund		**(1,061,009)**	3,735,581
Restricted fund		**8,332,835**	12,684,293
		11,938,299	20,505,593
		28,114,746	31,618,178

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

Islamic Relief-IR Canada

Statement of revenue and expenditures

Year ended December 31, 2025

	Notes	Endowment $	Investment in capital assets $	Unrestricted $	Restricted $	2025 Total $	2024 Total $
Revenue							
Donations from the public		**2**	**—**	**13,958,884**	**85,529,242**	**99,488,128**	96,578,089
Donations from other registered charities		**—**	**—**	**1,308,471**	**3,795,301**	**5,103,772**	8,618,445
Gift in kind donations	1	**—**	**—**	**208,350**	**25,487,707**	**25,696,057**	18,360,069
Government grants		**—**	**—**	**79,077**	**2,937,170**	**3,016,247**	83,500
Other revenue	1	**—**	**—**	**955,443**	**211,140**	**1,166,583**	2,236,499
		2	**—**	**16,510,225**	**117,960,560**	**134,470,787**	125,876,602
Expenditures							
Charitable programs	1	**—**	**246,833**	**14,210,391**	**109,032,819**	**123,490,043**	110,133,151
Fundraising		**—**	**—**	**4,299,170**	**9,571,257**	**13,870,427**	12,972,464
Administration		**—**	**832,835**	**2,708,849**	**2,135,927**	**5,677,611**	4,824,275
Administrative expense allocation	6	**—**	**—**	**(1,572,015)**	**1,572,015**	**—**	—
		—	**1,079,668**	**19,646,395**	**122,312,018**	**143,038,081**	127,929,890
Excess (deficiency) of revenue over expenditures		**2**	**(1,079,668)**	**(3,136,170)**	**(4,351,458)**	**(8,567,294)**	(2,053,288)

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

Islamic Relief-IR Canada

Statement of changes in net assets

Year ended December 31, 2025

	Endowment $	Investment in capital assets $	Unrestricted $	Restricted $	2025 Total $	2024 Total $
Net assets, beginning of year	**946,263**	**3,139,456**	**3,735,581**	**12,684,293**	**20,505,593**	22,558,881
Excess (deficiency) of revenue over expenditures for the year	**2**	**(1,079,668)**	**(3,136,170)**	**(4,351,458)**	**(8,567,294)**	(2,053,288)
Amounts invested in capital assets	**—**	**1,660,420**	**(1,660,420)**	**—**	**—**	—
Net assets, end of year	**946,265**	**3,720,208**	**(1,061,009)**	**8,332,835**	**11,938,299**	20,505,593

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

Islamic Relief-IR Canada

Statement of cash flows

For the year ended December 31

	2025 $	2024 $
Operating activities		
Deficiency of revenue over expenditures	**(8,567,294)**	(2,053,288)
Adjustments to reconcile excess of revenue over expenditures to net cash provided by (used in) operating activities		
Amortization of capital assets	**1,079,666**	760,164
Contributed investments	**(1,043,482)**	(498,466)
Unrealized gain on investments	**(430,705)**	(1,749,817)
	(8,961,815)	(3,541,407)
Changes in non-cash working capital balances		
Prepaid expenses	**(56,234)**	(251,667)
Other receivables	**(2,320,788)**	375,638
Accounts payable and accrued liabilities	**5,063,862**	6,518,540
	(6,274,976)	3,101,104
Investing activities		
Purchase of capital assets	**(1,660,420)**	(1,352,387)
Proceeds from sale of investments	**—**	9,109,448
Purchase of investments	**(347,481)**	(5,000,000)
	(2,007,901)	2,757,061
(Decrease) increase in cash during the year	**(8,282,877)**	5,858,165
Cash, beginning of year	**22,305,307**	16,447,142
Cash, end of year	**14,022,431**	22,305,307

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

1. Significant accounting policies

Description and purpose of the organization

Islamic Relief - IR Canada ("Islamic Relief Canada" or "IRC" or the "Organization") is a relief, development and advocacy organization dedicated to working with children, families and communities to overcome poverty and injustice.

Islamic Relief Canada is a charitable organization, inspired by Islamic values and motivated by compassion and empathy, that conducts programs to alleviate hunger, poverty, and suffering among people worldwide regardless of religion, race, gender, or ethnicity. IRC works independently and in partnership with Islamic Relief Worldwide ("IRW") and other local and international partners to fund ongoing programs for:

- Emergency relief, delivering food, medicine, and shelter to the victims of human made and natural disasters;
- Development in the areas of water and sanitation, income generation, nutrition and health, and fighting hunger, poverty, and disease;
- General funding for the needs of orphans and one-to-one orphan sponsorship;
- Feeding needy people and reducing poverty; and
- Enabling Muslim donors to make their obligatory and voluntary donations in accordance with their faith (such as Zakat, Qurbani, Zakat-ul-Fitr, Sadaqa, Aqiqa, Kiffara, Fidya, etc.).

IRC was incorporated by Letters Patent in August 2005.

Islamic Relief Worldwide is an international affiliation with offices in more than 30 countries ("IRW entities"). IRW assists the Organization by facilitating the coordination, implementation and monitoring of certain overseas programs to ensure that goods and projects funded by Islamic Relief donors are used directly to benefit the people in need.

IRC is a registered charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes under Registration Number 821-896-875-RR0001.

Basis of presentation

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

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue of the unrestricted fund when the contributions are received or become receivable, if collection of the amount to be received is reasonably assured. Externally restricted contributions are recognized as revenue of the respective restricted fund when the contributions are received or become receivable, if collection of the amount is reasonably assured. Contributions specified by donors to be maintained permanently are recognized as revenue of the endowment fund. Other revenue consists of income from the Organization's online shop as well as gains on investment earned by the Organization, and is recognized as earned or when the service has been provided.

Cash revenue received during the year was $972,421 ($1,092,644 in 2024), amounting to less than 1% (1% in 2024) of overall revenue.

Gift in Kind donations ("GIK") are valued at their estimated fair value. The recognition of revenue is based on when the Organization takes possession or title of the GIK where the Organization was the original recipient of the GIK, or was involved in a partnership with an agency. GIK revenue during the year was $25,696,057 ($18,360,070 in 2024) and was comprised of program supplies expenditures and long-term investments.

1. Significant accounting policies (continued)

Unrestricted fund

The unrestricted fund consists of undesignated donations and fundraising revenue less expenses relating to operations. This fund primarily reflects the activities associated with the operations of the Organization's administrative activities.

Restricted fund

The restricted fund accumulates contributions which must be used for the purpose specified by the donors. The restricted fund is segregated into programs as determined by the Organization's Board of Directors. Donations, fundraising and administrative expenses relating to specific programs are allocated as outlined in Note 6.

Endowment fund

The endowment fund accumulates resources that are required to be maintained by the Organization on a permanent basis.

Volunteer services

The efforts of volunteer workers are not reflected in the accompanying financial statements as no objective basis is available to reasonably estimate the fair value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization.

Capital assets

Capital assets are carried at cost and are amortized over their estimated useful lives on a straight-line basis as follows:

Building and building improvements	15–25 years	Straight-line
Office furniture and equipment	3–5 years	Straight-line
Computer equipment	3 years	Straight-line
Computer software	3 years	Straight-line
Vehicle	3 years	Straight-line

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities and bonds are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

1. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements 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 expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

Estimates and assumptions are used when accounting for items such as prepaid expenses and other receivables, write-down of capital assets, determination of useful lives of capital assets, revenue recognition, allocation of restricted and unrestricted donations and other revenue, accrued liabilities and contingent liabilities.

Allocation of costs

Certain employees perform a combination of programs, fundraising and administrative functions; as a result, salaries have been allocated based on functional activity. Other expenses have been allocated between the program and support expenditures benefited as applicable. Such allocations were reviewed, updated and applied on a prospective basis.

Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Non-monetary assets and liabilities are translated at the rate prevailing at the dates the assets were acquired or the liabilities incurred. Revenues and expenditures have been translated using exchange rates prevailing on the transaction date. Gains and losses arising from these translation policies have been included in the statement of revenue and expenditures.

International operations

The Organization treats all funds remitted to IRW as charitable program expenditures once the contract is signed and the payment is made. Subsequent to receiving the final report, underspent programs are treated as an expense reduction, and recorded in other receivable. The amounts are either reimbursed to the Organization or applied to another program.

The Organization has agreements with IRW to implement programs as directed by IRC. During 2025, IRC executed several international charitable programs through IRW with a net value of $98,967,621 ($90,848,680 in 2024).

2. Investments at fair value

The following investments, together with those presented in Notes 3 and 9, are held to support the long-term financial sustainability and future program activities of the Organization.

	2025		2024	
	Fair value	**Cost**	Fair value	Cost
	$	**$**	$	$
Cash	**54,009**	**54,009**	13,221	13,221
Equities	**5,766,067**	**4,931,298**	4,135,640	3,240,355
Long term investments	**—**	**—**	1,288	1,288
	5,820,076	**4,985,308**	4,150,149	3,254,864

3. Long-term investments at cost

Long-term investments recorded at cost include an investment in 7,537 (7,253 in 2024) shares of Ansar Co-operative Housing Corporation Ltd. at $100 per share ($100 per share in 2024), and an investment in 42,767 (40,000 in 2024) shares of Takaful Canada Inc. at $1 per share ($1 per share in 2024).

5,057 (5,057 in 2024) shares of Ansar Co-Operating Housing Corporation Ltd. and 40,000 (40,000 in 2024) shares of Takaful Canada Inc. represent donor-restricted endowments.

	2025 Cost $	2024 Cost $
Equity in non- listed entities	**796,467**	765,300
Equity in Relief Collective (Note 9)	**120,572**	—
	917,038	765,300

The Organization's long-term investment in Relief Collective is described in Note 9.

4. Capital assets

	Cost $	**Accumulated amortization $**	**2025 Net book value $**	2024 Net book value $
Building and building improvements	**2,896,665**	**864,589**	**2,032,076**	1,581,275
Office furn iture and equipment	**189,952**	**134,485**	**55,467**	38,627
Computer equipment	**543,571**	**434,736**	**108,835**	18 2,033
Computer software	**3,592,393**	**2,068,561**	**1,523,832**	1,337,521
	7,222,581	**3,502,371**	**3,720,210**	3,139,456

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is $13,781,809 ($10,782,989 in 2024) owing to IRW, an affiliated organization as described in Note 1. Additionally, included in accounts receivable is $2,538,450 ($253,917 in 2024) owing from IRW.

6. Support expense allocation

Administration and fundraising expenses are allocated between the unrestricted fund, the restricted fund and the endowment fund proportionately to the revenue received. Management believes this allocation best represents the economic reality of the related benefit received for each fund.

7. Commitments

As at December 31, 2025, the Organization has entered into contracts for future charitable programs. These amounts, which have not been reflected as liabilities, are expected to be granted and paid as follows:

	Unrestricted $	Restricted $	Total $
2026	—	38,124,867	38,124,867
2027	—	9,535,833	9,535,833
2028	—	2,892,500	2,892,500
2029	—	615,000	615,000
2030	—	—	—
2031	—	824,860	824,860
	—	51,993,060	51,993,060

8. Financial instruments

In the normal course of operations, the Organization is exposed to financial risks that may potentially impact its operating results. The Organization employs risk management strategies with a view to mitigating these risks on a cost effective basis. These risks have not changed from prior year other than as it relates to investments in Sukuks.

The Organization has exposure to the following risks associated with its financial instruments:

Currency risk

The Organization is exposed to currency risk as the Organization has payments, receipts and investments which are transacted in U.S. Dollars, British Pounds, and Euros and therefore is exposed to exchange rate fluctuations. At December 31, 2025, cash of $3,654,409 ($6,842,313 in 2024) and investments of $3,679,491 ($4,262,151 in 2024) were held in U.S Dollars.

Market risk

Market risk arises from the possibility that changes in market prices will affect the level of investments held by the Organization.

Credit risk

Credit risk arises from the possibility of a borrower failing to repay a loan, resulting in financial loss for the Organization.

9. Investment in Relief Collective

The Organization accounts for its 100% investment in Relief Collective using the equity method. The investment is recorded at cost and adjusted for the Organization’s share of Relief Collective's net income (loss), as well as any dividends paid out (nil in 2024).

At year-end, the carrying amount of the investment was $120,572 (nil in 2024). The Organization recognized $226,909 as its share of net loss (nil in 2024).

Summarized financial information of Relief Collective is as follows: total assets $366,729 (nil in 2024), liabilities $246,158 (nil in 2024), revenue $54,570, net loss $226,909 (nil in 2024).