



AUDITORES  
& CONSULTORES

## **Report of the Independent Auditors**

To the Board of Directors of  
EQUATORIAN FOUNDATION FOR EQUITY ÑEQUE:

### **Opinion**

We have audited the accompanying financial statements of FUNDACIÓN ECUATORIANA POR LA EQUIDAD ÑEQUE (an organization incorporated in Ecuador), which comprise the statement of financial position as of December 31, 2025, and the related statements of income, changes in equity, and cash flows for the year ended on that date, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FUNDACIÓN ECUATORIANA POR LA EQUIDAD ÑEQUE as of December 31, 2025, the results of its operations, and its cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities - IFRS for SMEs issued by the International Accounting Standards Board (IASB).

### **Basis for Opinion**

The audit was conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described later in this report in the section *“The Auditor’s Responsibilities Regarding the Audit of the Financial Statements.”* We are independent of FUNDACIÓN ECUATORIANA POR LA EQUIDAD ÑEQUE in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

- The financial statements for the period ended December 31, 2024, were audited by other professionals who issued an unqualified opinion on February 28, 2025.
- Without modifying our opinion, we draw attention to Note 10 of the financial statements, which describes how, during the 2025 fiscal year, a new regulatory framework applicable to nonprofit social organizations came into effect with the enactment of the Organic Law on Social Transparency, which establishes new registration, control, and oversight obligations on the part of the competent authorities. These provisions include the obligation to register with the Unified Information System for Non-Profit Social Organizations as a requirement to operate legally in the country. The Foundation’s management has indicated that it has completed the required registration and is in the process of implementing the requirements established by the aforementioned regulations.

## **Information presented in addition to the financial statements**

The Organization is responsible for preparing supplementary information, which comprises the Annual Economic and Financial Report but does not include the complete set of financial statements and our audit report.

Our opinion on the Organization's financial statements does not include such information, and we will not express any form of assurance or conclusion regarding it.

In connection with the audit of the financial statements, our responsibility is to read such additional information when available and, in doing so, consider whether this information contains material inconsistencies with the financial statements or with our knowledge obtained during the audit, or whether it otherwise appears to be materially incorrect.

Based on the work performed as described in the preceding paragraph, we have nothing to report to the Organization's Board of Directors regarding the Financial Report.

## **The Organization's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities—IFRS for SMEs issued by the International Accounting Standards Board (IASB) 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 the use of the going concern basis of accounting, unless management intends to liquidate the Organization or cease its operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Organization's financial reporting process.

## **The auditor's responsibility regarding the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements may 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 that users make based on the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we exercised our professional judgment and maintained a mindset of professional skepticism throughout the audit. In addition:

- We identified and assessed the risks of material misstatement in the financial statements, whether due to fraud or error; we designed and performed audit procedures to address those risks; and we obtained sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, intentional misrepresentations, or breaches of internal control.
- We obtained 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.
- We evaluated whether the accounting policies applied are appropriate and whether the accounting estimates and related disclosures made by the Organization are reasonable.
- We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether or not there is material uncertainty 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 audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to issue a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report; however, future events or conditions may cause the Organization to cease to be a going concern.
- We 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 report to the Organization's management regarding, among other matters, the scope and timing of the planned audit and the significant findings, as well as any significant internal control deficiencies we identified during the course of the audit.

*Pcs Auditores*

Quito, March 2, 2026  
Registration No. SCVS - RNAE – 1222



Francisco Xavier  
Calo Machay



Francisco Calo  
Partner