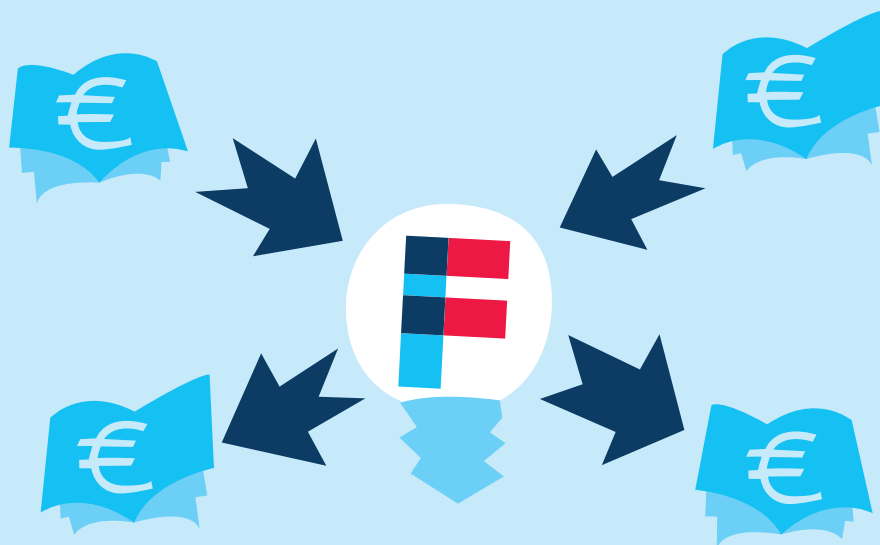


FAIRFOOD

Financial annual report 2021



Balance sheet as of December 31, 2021

After appropriation of the result

	31/12/2021	31/12/2020
	€	€
Assets		
Current Assets		
Inventory	2.910	-
Receivables	9.701	101.899
Cash and cash equivalents	637.374	488.649
Total	649.985	590.548
Liabilities		
Equity		
General Reserve	512.814	360.765
	512.814	360.765
Current Liabilities		
Liabilities and accruals	137.171	229.783
	137.171	229.783
Total	649.985	590.548



Statement of income and expenses 2021

	2021	Budget 2021	2020
	€	€	€
Income			
Contributions from third parties	708.019	806.454	451.711
Benefits from third-party actions	500.000	500.000	500.000
Governmental contributions	-	41.250	102.653
Other income	5.089	-	35
Total	1.213.108	1.347.704	1.054.399
Costs			
Staff costs	634.481	673.988	548.309
Other personnel costs	36.436	32.154	21.230
Housing	23.787	28.500	21.337
Office	10.437	9.000	3.100
Organisation	72.091	74.750	61.707
Communication	94.606	134.000	91.674
Non-project platform costs	27.260	35.000	35.187
Project platform costs	77.024	186.345	-
Other project costs (excl. personnel)	82.605	66.375	167.212
Unforeseen	-	10.000	-
Total	1.058.727	1.250.112	949.756
Operational Result	154.381	97.592	104.643
Financial income and expenses	-2.332	-	-477
Result	152.049	97.592	104.166
Allocation of result			
General Reserve	152.049	97.592	104.166
Total	152.049	97.592	104.166

Notes to Financial Statements

General

The registered address of Stichting Fairfood International is Mauritskade 63 in Amsterdam (registered at the Chamber of Commerce with file number 34141098).

Principles of value and determination of results

The financial statements have been prepared in accordance with the Guideline for Annual Reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards. Annual accounts are based on historical cost conventions. The valuation of assets and liabilities is done at nominal value, unless stated otherwise. Profits are assigned to the period in which they were realised. Expenses are also accounted for.

Foreign currencies

The accounts of the organisation are presented in euros, which is Fairfood's functional currency. Transactions in foreign currencies are converted to euros at the beginning of the month in which the transaction occurs. At the end of the financial year, all accounts receivable and liabilities in foreign currencies are converted to euros on the basis of the exchange rate as per balance date. Exchange rate results have been added to the statement of revenues and expenditures.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Inventory

The crypto currency for trace technology are valued at purchase price unless there is a lower market value on the balance sheet date. In that case, this lower market value is issued as the value of the inventory.

Receivables

The receivables are initially valued at their fair value and subsequently valued at amortised cost, which is usually the nominal value. Provisions deemed necessary regarding the risk of bad debts are deducted. These provisions are determined on the basis of individual assessment of the receivables. Prepaid expenses are valued at the value of the amount paid.

Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not immediately available, this will be explained.

General Reserve

The reserves concern the balance of assets minus debts and provisions. Fairfood aims to reach a discretionary net worth of 45 per cent minimum and 60 per cent maximum of the annual ongoing costs of the work organisation. This is done in order to avoid immediate issues that may arise in case of financial setbacks.

Liabilities

The current liabilities are those with a term of less than one year. These are initially valued at their fair value and subsequently valued at amortised cost, which is usually the nominal value. Accruals are valued at their nominal value. Accruals and deferred income are stated at their nominal value.

PRINCIPLES OF THE DETERMINATION OF RESULTS

Contributions from third parties

Contributions from third parties are accounted for in the year to which they relate. As far as the proceeds are used for (co-)financing of projects they are accounted for in the reporting period in which the project costs are incurred. Unspent project funds are added to the balance sheet capitalized as project funds to be spent.

Benefits from third parties

The income from third-party promotions concern gifts and donations. These are accounted for in the year in which we receive them. Therefore, gifts and donations received in advance are not taken into account.

Other income

Other revenues are allocated to the year to which they relate.

Wages

The remuneration owed to the staff is included in the statement of income and expenditure on the basis of the terms of employment.

Other expenses

Other expenses are determined on a historical basis and allocated to the year to which they relate.

Financial income and expenses

Interest income and interest expense are recognised on a time-proportionate basis, taking into account the effective interest rate of the relevant assets and liabilities.

Corporation tax

The financial statements have been prepared on the assumption that Fairfood's activities are exempt from corporate income tax.

Notes on balance sheet as of December 31, 2021

	31/12/2021	31/12/2020
	€	€
Inventory		
Crypto currency for trace technology	2.910	-
	2.910	-
Receivables		
Prepaid costs	6.120	9.309
Other receivables	1.564	68.634
Debtors	2.017	23.958
	9.701	101.901
Cash and cash equivalents		
Cash	48	48
Payment accounts	191.774	41.765
Saving accounts	445.552	446.836
	637.374	488.649
General Reserve		
Balance sheet as of January 1	360.765	256.599
Allocation of result	152.049	104.166
Balance sheet as of December 31	512.814	360.765
Current Liabilities		
Creditors	7.105	9.082
Deferred liabilities	36.775	39.877
Payroll tax to be paid	-	18.294
Value added tax to be paid	6.370	4.450
Project funds still to be spend	86.921	158.080
	137.171	229.783

Off balance sheet commitments:

FAIRFOOD has signed a rental agreement with the Royal Tropical Institute.

This agreement will be extended for one year from April 1, with a notice period of four months.

The rental charge for 2022 is € 21.374.

Notes on the statement of income and expenses 2021

The comparison between realized costs and budgeted costs shows two striking deviations. Less communication costs were incurred than budgeted. Due to the ongoing corona pandemic, real communication costs were lower in 2021, partly because travel and physical meetings were limited. Furthermore, the Project platform costs are also significantly lower. This has several causes. Fairfood has brought part of the outsourced work in-house in 2021 by hiring an employee. Furthermore, project commitments came later than expected and activities have been postponed to 2022.

	2021	Budget 2021	2020
	€	€	€
Income			
Contribution from third parties			
Business assignments	337.356	457.576	242.889
NGO contributions	297.190	273.878	158.436
Sponsorship in kind (google-ad grants)	73.349	-	50.073
Donations	124	-	313
	708.019	731.454	451.711
Benefits from third-party actions			
Nationale Postcodeloterij			
- General financing	500.000	500.000	500.000
	500.000	500.000	500.000
Governemental contributions			
GIZ- Germany	-	41.250	102.653
	-	41.250	102.653
Specifications NGO contributions			
SOLIDARIDAD	294.157	232.628	20.000
RAINFOREST ALLIANCE	3.033	-	-
HIVOS	-	-	65.298
SIDN	-	-	45.983
CTA	-	-	27.155
Non specified	-	41.250	-
	297.190	273.878	158.436

	2021	Budget 2021	2020
	€	€	€
Costs			
Personnel			
Salaries	532.331	520.999	361.454
Social expenses	81.333	83.360	53.364
Benefits Absence Insurance	-10.707	-	-
Non-salaries staff	31.524	69.629	133.491
	634.481	673.988	548.309

The average FTE in 2021 was 8,16 (2020: 5,76)

Director S.B. de Jong received a total gross salary of € 98.923 with a full-time position of 36 hours per week. This amount includes holiday allowance and compensation for a pension provision. No loans have been extended to the CEO. This remuneration is in accordance with the “regulation for the remuneration of directors in charity organisations” of Goede Doelen Nederland.

The members of the Supervisory Board do not receive any remuneration.

Other personnels costs			
Travel expenses	2.394	3.000	1.267
Training	1.325	5.000	1.212
Canteen expenses	171	2.500	907
Sick leave insurance	8.936	7.554	6.834
Additional personnel costs	23.610	14.100	11.010
	36.436	32.154	21.230

Housing			
Rent	23.112	25.000	20.560
Additional housing costs	675	3.500	777
	23.787	28.500	21.337

Financial income and expenses			
Interest	€ -1.766	€ -	€ 2
Bank charges	€ -566	€ -	€ -479
	€ -2.332	€ -	€ -477

Date: June 20, 2022

S.B. de Jong, Managing Director
W.P. Gorter, member Supervisory Board
P.C.D. Goudswaard, member Supervisory Board

J.C.M. Sap, Chair Supervisory Board
M.E.H.G. Tillij, member Supervisory Board



fairfood.org

INDEPENDENT AUDITOR'S REPORT

To: supervisory board of Stichting Fairfood International

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Stichting Fairfood International based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Fairfood International as at 31 December 2021 and of its result for 2021 in accordance with the 'RJ-Richtlijn 640 Not-for-profit-organisations ' (Guideline for annual reporting 640 'Not-for-profit organisations of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2021
2. the profit and loss account for 2021; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Fairfood International in accordance with the Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by 'RJ-Richtlijn 640 Not-for-profit-organisations'.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report and the other information in accordance with 'RJ-Richtlijn 640 Not-for-profit-organisations'.



Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Not-for-profit-organisations'. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding 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 company'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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and



- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Zaandam, 3 June 2022

Vanhier Audit Services B.V.

Sgd P.A. Bankersen RA