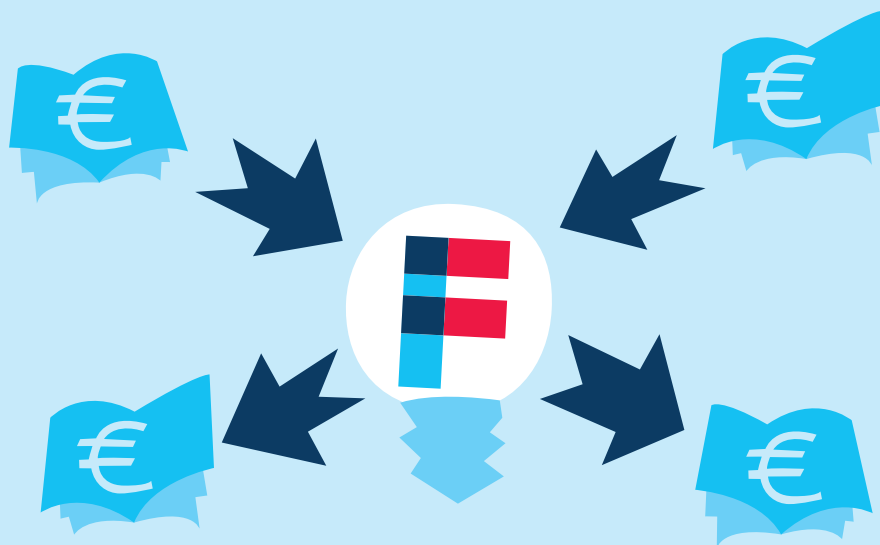


# FAIRFOOD

## Financial annual report 2022



## Balance sheet as of December 31, 2022

After appropriation of the result

	31/12/2022	31/12/2021
	€	€
<b>Fixed Assets</b>		
<b>Tangible Fixed Assets</b>		
Office Inventory	7.905	-
Hardware	1.124	-
	<b>9.029</b>	<b>-</b>
<b>Current Assets</b>		
Inventory	267	2.910
Receivables	113.548	9.701
Cash and cash equivalents	1.295.742	637.374
	<b>1.409.557</b>	<b>649.985</b>
<b>Total</b>	<b>1.418.586</b>	<b>649.985</b>
<b>Liabilities</b>		
<b>Equity</b>		
General Reserve	677.527	512.814
	<b>677.527</b>	<b>512.814</b>
<b>Current Liabilities</b>		
Liabilities and accruals	741.059	137.171
	<b>741.059</b>	<b>137.171</b>
<b>Total</b>	<b>1.418.586</b>	<b>649.985</b>



## Statement of income and expenses 2022

	2022	Budget 2022	2021
	€	€	€
<b>Income</b>			
Contributions from third parties	1.033.933	1.101.607	708.019
Benefits from third-party actions	500.000	500.000	500.000
Governmental contributions	15.163	19.352	-
Other income	36	-	5.089
<b>Total</b>	<b>1.549.132</b>	<b>1.620.959</b>	<b>1.213.108</b>
<b>Costs</b>			
Staff costs	781.227	869.043	634.481
Other personnel costs	42.594	43.701	36.436
Housing	24.480	33.500	23.787
Office	10.499	13.500	10.437
Organisation	76.844	85.700	72.091
Communication	131.295	135.000	94.606
Development	51.455	35.000	27.260
Project platform costs	126.900	156.945	77.024
Other project costs (excl. personnel)	136.393	141.665	82.605
Unforeseen	-	10.000	-
<b>Total</b>	<b>1.381.687</b>	<b>1.524.054</b>	<b>1.058.727</b>
<b>Operational Result</b>	<b>167.445</b>	<b>96.905</b>	<b>154.381</b>
<b>Financial income and expenses</b>	<b>-2.732</b>	<b>-2.750</b>	<b>-2.332</b>
<b>Result</b>	<b>164.713</b>	<b>94.155</b>	<b>152.049</b>
<b>Allocation of result</b>			
General Reserve	164.713	94.155	152.049
<b>Total</b>	<b>164.713</b>	<b>94.155</b>	<b>152.049</b>

## Cash flow Statement 2022

	2022		2021	
	€	€	€	€
<b>Result</b>				
		164.713		152.049
<b>Adjusted for:</b>				
Depreciations	332			
		332		
<b>Changes in working capital:</b>				
Movement in inventory	2.643		-2.910	
Movement in receivables	-103.847		92.198	
Movement in liabilities	603.888		-92.612	
Cash flow from operating activities		502.684		-3.324
Cash flow from investing activities	-9.361		-	
		-9.361		-
<b>Net cash flow</b>		<b>658.368</b>		<b>148.725</b>
Balance cash and cash equivalents Jan 1		637.374		488.649
<b>Movement financial year</b>		<b>658.368</b>		<b>148.725</b>
Balance cash and cash equivalents Dec 31		1.295.742		637.374

The Cash Flow Statement has been drawn up according to the indirect method.

## 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).

The main activities Stichting Fairfood International is to offer innovative solutions that enable agri-food businesses to improve their responsible business practices. Open solutions that are designed to democratise the world of food. We actively engage all supply chain actors – from farmer to retailer and consumer – aiming to contribute to the socio-economic prosperity of farmers and food workers. Fairfood believes in establishing partnerships to jointly accelerate the change towards a sustainable food system.

### 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

#### Tangible assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Tangible assets are valued at acquisition price less straight-line depreciation. The yearly depreciation of office inventory and hardware is 20%.

#### 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.

### **Cash flow statement**

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash.

Cash flows in foreign currency are translated into euros using the weighted average exchange rate for the reporting period/the exchange rate at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Transactions that do not include an exchange of cash and cash equivalents are not included in the cash flow statement.

## Notes on balance sheet as of December 31, 2022

	31/12/2022	31/12/2021
	€	€
<b>Office Inventory</b>		
Value as of January 1	-	-
Investment	8.178	-
Depreciation	-273	-
<b>Value as of December 31</b>	<b>7.905</b>	<b>-</b>

	31/12/2022	31/12/2021
	€	€
<b>Hardware</b>		
Value as of January 1	-	-
Investment	1.183	-
Depreciation	-59	-
<b>Value as of December 31</b>	<b>1.124</b>	<b>-</b>

	31/12/2022	31/12/2021
	€	€
<b>Inventory</b>		
Crypto currency for trace technology	267	2.910
	<b>267</b>	<b>2.910</b>

The crypto currency is held to power our trace platform. The value fluctuates considerably. No new crypto currency has been purchased in 2022.

	31/12/2022	31/12/2021
	€	€
<b>Receivables</b>		
Prepaid costs	33.534	6.120
Other receivables	78.311	1.564
Debtors	1.703	2.017
	<b>113.548</b>	<b>9.701</b>

The prepaid costs concerns invoice received in advance regarding the sickness insurance and rent, and an advance, paid to our tech platform developers. The other receivables mainly concern project funds that are still to be received from project partners.

	31/12/2022	31/12/2021
	€	€
<b>Cash and cash equivalents</b>		
Cash	48	48
Payment accounts	247.224	191.774
Saving accounts	1.048.470	445.552
	<b>1.295.742</b>	<b>637.374</b>

	31/12/2022	31/12/2021
	€	€
<b>General Reserve</b>		
Balance sheet as of January 1	512.814	360.765
Allocation of result	164.713	152.049
<b>Balance sheet as of December 31</b>	<b>677.527</b>	<b>512.814</b>

	31/12/2022	31/12/2021
	€	€
<b>Current Liabilities</b>		
Creditors	20.630	7.105
Other liabilities	70.761	36.775
Payroll tax to be paid	-	-
Value added tax to be paid	1.220	6.370
Project funds still to be spend	648.448	86.921
	<b>741.059</b>	<b>137.171</b>

Other liabilities are costs that are due on balance sheet date, but for which no invoice has been received on balance sheet date. The largest items here are audit costs, tech development costs and the value of the balance of employees' vacation days.

Project funds still to be spent are funds that have already been received in the bank, but have not yet been spent. The largest amounts here are funds from Solidaridad for the Dream Fund project and an amount received from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) for the aGROWforsts project.

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 2023 is € 22.057.

## Notes on the statement of income and expenses 2022

	2022	Budget 2022	2021
	€	€	€
<b>Income</b>			
<b>Contribution from third parties</b>			
Business assignments	290.561	548.916	337.356
NGO contributions	577.600	425.604	297.190
Sponsorship in kind (google-ad grants)	100.397	75.000	73.349
Grants	65.257	52.087	-
Donations	118	-	124
	<b>1.033.933</b>	<b>1.101.607</b>	<b>708.019</b>

<b>Benefits from third-party actions</b>			
Nationale Postcodeloterij			
- General financing	500.000	500.000	500.000
	<b>500.000</b>	<b>500.000</b>	<b>500.000</b>

<b>Governmental contributions</b>			
GIZ- Germany	15.163	19.352	-
	<b>15.163</b>	<b>19.352</b>	<b>-</b>

<b>Specifications NGO contributions</b>			
SOLIDARIDAD	562.433	416.504	294.157
RAINFOREST ALLIANCE	6.067	9.100	3.033
SUSTAINABLE FOOD LAB	9.100	-	-
	<b>577.600</b>	<b>425.604</b>	<b>297.190</b>

The Business Assignments turned out lower than budgeted because more activities within our project with Trabocca have been postponed to 2023 than originally budgeted. Furthermore, fewer new funds have been promised for projects for 2022 than budgeted.

The higher NGO Contributions are mainly explained by the fact that the project RECLAIM Sustainability! more funds have been made available, and because a number of activities have been carried out, and therefore costs have been incurred, which were originally planned for 2023.

	2022	Budget 2022	2021
	€	€	€
<b>Costs</b>			
<b>Personnel</b>			
Salaries	677.740	737.968	532.331
Social expenses	105.337	118.075	81.333
Benefits Absence Insurance	-7.802	-	-10.707
Non-salaries staff	5.952	13.000	31.524
	<b>781.227</b>	<b>869.043</b>	<b>634.481</b>

The average FTE in 2022 was 9,40 (2021: 8,16)

The planned personnel formation was not fully completed in 2022. Furthermore, a salary increase was implemented as of January 2022 in accordance with the inflation applicable at the time (CBS consumer price index).

Director S.B. de Jong received a total gross salary of € 103.015 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. The remuneration is in principle in accordance with the "regulation for the remuneration of directors in charity organisations" of Goede Doelen Nederland. Due to the salary increase for the entire staff related to inflation, there was an exceedance of the standard of 2,6% in 2022.

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

<b>Other personnels costs</b>			
Travel expenses	6.456	3.500	2.394
Training	450	5.000	1.325
Canteen expenses	-	2.500	171
Sick leave insurance	11.558	10.701	8.936
Additional personnel costs	24.130	22.000	23.610
	<b>42.594</b>	<b>43.701</b>	<b>36.436</b>

<b>Housing</b>			
Rent	23.939	30.000	23.112
Additional housing costs	541	3.500	675
	<b>24.480</b>	<b>33.500</b>	<b>23.787</b>

<b>Office</b>			
Office supplies	622	4.000	3.262
Telephone and internet	-	500	61
Depreciation Office Inventory	273	-	-
Software	9.604	8.000	5.904
IT support	-	1.000	1.210
	<b>10.499</b>	<b>13.500</b>	<b>10.437</b>

	2022	Budget 2022	2021
	€	€	€
<b>Organisation</b>			
Supervisory Board	1.562	1.000	134
Contributions	2.575	7.000	6.686
Financial - & Salary Administration	38.411	46.700	36.889
Software	3.841	4.000	3.996
Depreciation hardware	59	-	-
Insurances	3.605	4.000	3.531
Accountant	16.129	13.000	10.825
Advice	10.662	10.000	10.030
	<b>76.844</b>	<b>85.700</b>	<b>72.091</b>

<b>Communication</b>			
Software	912	5.000	2.784
Promotion	4.790	16.000	-
Annual Report	1.259	6.000	8.827
Marketing and Website	19.898	28.000	3.184
Google-Advertisements	100.397	75.000	73.349
Other communication costs	4.039	5.000	6.462
	<b>131.295</b>	<b>135.000</b>	<b>94.606</b>

<b>Development</b>			
Platform costs	40.623	-	27.260
Business Development	10.742	20.000	-
Impact Strategy Development	90	5.000	-
Data protection Development	-	5.000	-
Services & product Development	-	5.000	-
	<b>51.455</b>	<b>35.000</b>	<b>27.260</b>

When the budget was drawn up, it was assumed that the platform costs would be fully financed by the projects. However, the project budgets for platform costs were slightly lower in total and Fairfood also invested in building a well-qualified permanent team of developers in 2022.

The other development costs turned out lower, mainly because planned outsourced work was taken up by our own team and within the RECLAIM Sustainability! project.

	2022	Budget 2022	2021
	€	€	€
<b>Financial income and expenses</b>			
Interest Paid	-2.003	-2.000	-1.766
Interest Received	5	-	-
Bank charges	-734	-750	-566
	<b>-2.732</b>	<b>-2.750</b>	<b>-2.332</b>

Date: 2023

S.B. de Jong, Managing Director  
W.P. Gorter, member Supervisory Board  
M. Zwart, member Supervisory Board

H.I.J. Hoefsloot-Bruggeman, chair Supervisory Board  
P.C.D. Goudswaard, member Supervisory Board  
H. de Groot, member Supervisory Board

**fairfood.org**



## **INDEPENDENT AUDITOR'S REPORT**

To: supervisory board of Stichting Fairfood International

### ***Report on the audit of the financial statements 2022 included in the annual report***

#### ***Our opinion***

We have audited the financial statements 2022 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 2022 and of its result for 2022 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 2022
2. the statement of income and expenditure for 2022; 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 foundation'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 foundation 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 foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the foundation'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 foundation'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 foundation 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, 19 April 2023

Vanhier Audit Services B.V.

For identification purposes:

Sgd P.A. Bankersen RA