

**Freegan Food Foundation**

at Sint Maarten

**Financial statements 2022**

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**Freegan Food Foundation, Sint Maarten**

## **1. COMPILATION REPORT**

Freegan Food Foundation

R23.041/md/PL

## 1.1 ACCOUNTANT'S COMPILATION REPORT

The 2022 financial statements of Freegan Food Foundation have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the profit and loss account for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch Standard 4410 for "Compilation engagements", which is applicable to accountants. The standard requires us to assist you with the preparation and presentation of the financial statements in accordance with Book 2 of the St. Maarten Civil Code and the Generally Accepted Accounting Principles in the Netherlands (Dutch Accounting Standards). To this end we have applied our professional expertise in the fields of accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of Freegan Food Foundation. We have not performed any audit or review procedures which enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Philipsburg, 26 June 2023

BDO St. Maarten B.V.



P.C. Lungu FCCA

## 2. FINANCIAL STATEMENTS

Freegan Food Foundation, Sint Maarten

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022

|                                      |          | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--------------------------------------|----------|-------------------------|-------------------------|
|                                      |          | \$                      | \$                      |
| <b>ASSETS</b>                        |          |                         |                         |
| <b>Fixed assets</b>                  |          |                         |                         |
| <b>Property, plant and equipment</b> | <i>1</i> |                         |                         |
| Furniture and fixtures               |          | 8,468                   | 4,727                   |
| Vehicles                             |          | <u>25,897</u>           | <u>34,191</u>           |
|                                      |          | 34,365                  | 38,918                  |
| <b>Current assets</b>                |          |                         |                         |
| <b>Receivables</b>                   |          |                         |                         |
| Accounts Receivables                 | <i>2</i> | 581                     | 13,253                  |
| Other receivables                    | <i>3</i> | <u>17,501</u>           | <u>11,652</u>           |
|                                      |          | 18,082                  | 24,905                  |
| <b>Cash and cash equivalents</b>     | <i>4</i> | 22,945                  | 37,396                  |
| <b>Total assets</b>                  |          | <u><u>75,392</u></u>    | <u><u>101,219</u></u>   |

Freegan Food Foundation, Sint Maarten

|   |   | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|---|-------------------------|-------------------------|
|   |   | \$                      | \$                      |
| <b>LIABILITIES</b>                      |   |                         |                         |
| <b>Foundation's capital</b>             | 5 |                         |                         |
| Undistributed result                    |   | 95,283                  | 133,417                 |
| Result for the year                     |   | <u>-27,454</u>          | <u>-38,134</u>          |
|   |   | 67,829                  | 95,283                  |
| <b>Short-term liabilities</b>           |   |                         |                         |
| Taxes and social security contributions | 6 | 5,113                   | 4,896                   |
| Other liabilities and accrued expenses  | 7 | <u>2,450</u>            | <u>1,040</u>            |
|   |   | 7,563                   | 5,936                   |
| <b>Total liabilities</b>                |   | <u><u>75,392</u></u>    | <u><u>101,219</u></u>   |

Freegan Food Foundation, Sint Maarten

2.2 STATEMENT OF ACTIVITIES FOR THE YEAR 2022

|                                 |    | 2022                  | 2021                  |
|---------------------------------|----|-----------------------|-----------------------|
|                                 |    | \$                    | \$                    |
| <b>Operating income</b>         | 8  | 339,279               | 875,010               |
| Cost of sales                   | 9  | <u>-125,608</u>       | <u>-642,795</u>       |
| <b>Gross margin</b>             |    | 213,671               | 232,215               |
| <b>Expenses</b>                 |    |                       |                       |
| Expenses of employee benefits   | 10 | 133,674               | 142,745               |
| Depreciation                    |    | 10,259                | 6,829                 |
| Other operating expenses        | 11 | <u>97,192</u>         | <u>120,775</u>        |
| <b>Total of sum of expenses</b> |    | <u>241,125</u>        | <u>270,349</u>        |
| <b>Total of net result</b>      |    | <u><u>-27,454</u></u> | <u><u>-38,134</u></u> |



## 2.3 NOTES TO THE FINANCIAL STATEMENTS

### *General notes*

#### **The most important activities of the entity**

Freegan Food Foundation (The Foundation) was incorporated on November 29, 2018. The main activities of the foundation is to act as a food bank where manufacturers, distributors, wholesalers, retailers, companies or people can donate food or goods, which will then be collected and distributed to charitable/welfare homes, volunteer welfare organizations, poor families, the destitute in general and soup kitchens.

### *General accounting principles*

#### **The accounting standards used to prepare the financial statements**

The financial statements have been prepared in accordance with Book 2 of the St. Maarten Civil Code and the Generally Accepted Accounting Principles in the Netherlands (Dutch Accounting Standards).

The general principle for the valuation of assets and liabilities, as well as the determination of results, is the historical purchase price.

Unless otherwise stated, assets and liabilities are stated at the values at which they were acquired.

#### **Conversion of amounts denominated in foreign currency**

The financial statements are denominated in US dollars. All transactions recorded in local currency ANG are calculated at an exchange rate of US\$1 = ANG 1.78.

### *Accounting principles*

#### **Property, plant and equipment**

Tangible fixed assets are stated at acquisition costs less depreciation calculated on a straight line basis over the estimated useful life. Acquisitions during the year are depreciated from the date of acquisition.

#### **Cash and cash equivalents**

Cash and bank balances are freely disposable, unless stated otherwise.

#### **Accounting principles for determining the result**

The Foundation's surplus or deficit is determined as the difference between the received donations and all expenses relating to the reporting period.

#### **Other expenses**

Operating expenses are recorded on the accrual basis of accounting when incurred in the period to which they relate.

## Freegan Food Foundation, Sint Maarten

### 2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2022

#### Fixed assets

##### 1 Property, plant and equipment

|                                      | <i>Furniture<br/>and fixtures</i> | <i>Vehicles</i> | <i>Total</i>  |
|--------------------------------------|-----------------------------------|-----------------|---------------|
|                                      | \$                                | \$              | \$            |
| Balance as at 1 January 2022         |                                   |                 |               |
| Cost or manufacturing price          | 6,444                             | 41,471          | 47,915        |
| Accumulated depreciation             | -1,717                            | -7,280          | -8,997        |
| Book value as at 1 January 2022      | <u>4,727</u>                      | <u>34,191</u>   | <u>38,918</u> |
| Movements                            |                                   |                 |               |
| Additions                            | 5,706                             | -               | 5,706         |
| Depreciation                         | -1,965                            | -8,294          | -10,259       |
| Balance movements                    | <u>3,741</u>                      | <u>-8,294</u>   | <u>-4,553</u> |
| Balance as at 31 December 2022       |                                   |                 |               |
| Cost or manufacturing price          | 12,150                            | 41,471          | 53,621        |
| Accumulated depreciation             | -3,682                            | -15,574         | -19,256       |
| Book value as at<br>31 December 2022 | <u>8,468</u>                      | <u>25,897</u>   | <u>34,365</u> |
| Depreciation percentages             | <u>20%</u>                        | <u>20%</u>      |               |

#### Current assets

##### Receivables

|                        | <u>31-12-2022</u> | <u>31-12-2021</u> |
|------------------------|-------------------|-------------------|
|                        | \$                | \$                |
| 2 Accounts Receivables |                   |                   |
| Accounts receivables   | <u>581</u>        | <u>13,253</u>     |

The amounts presented under accounts receivables for the year ended December 31, 2022 and December 31, 2021 are referring to the bank account held at SNS Bank in the name of Freegan Food Stichting incorporated in the Netherlands.

For financial reporting purposes, we classified the donations received by Freegan Food Foundation St. Maarten via the bank account opened at SNS Bank as receivable considering that the funds have been subsequently used to financed the activities developed by Freegan Food St. Maarten.

## Freegan Food Foundation, Sint Maarten

|                               | <u>31-12-2022</u> | <u>31-12-2021</u> |
|-------------------------------|-------------------|-------------------|
|                               | \$                | \$                |
| <b>3 Other receivables</b>    |                   |                   |
| Guarantee deposit             | 16,352            | 9,152             |
| Other receivables             | 699               | -                 |
| Employees advances            | 450               | -                 |
| Accruals and prepaid expenses | <u>-</u>          | <u>2,500</u>      |
|                               | <u>17,501</u>     | <u>11,652</u>     |

## 4 Cash and cash equivalents

|  |               |               |
|--|---------------|---------------|
| Windward Islands Bank Ltd. (ANG account) | 17,377        | 19,282        |
| Windward Islands Bank Ltd. (USD account) | 5,268         | 14,212        |
| Petty Cash                               | 300           | 300           |
| Funds from food waste program            | <u>-</u>      | <u>3,602</u>  |
|  | <u>22,945</u> | <u>37,396</u> |

The cash from donations and sales consist of funds received from donating partners and other income.

## 5 Foundation's capital

|                                |   |
|--------------------------------|---|
|                                | <i>Undistributed result<br/>(incl. result<br/>for the year)</i> |
|                                | \$  |
| Balance as at 1 January 2022   | 95,283  |
| Result for the year            | <u>-27,454</u>  |
| Balance as at 31 December 2022 | <u>67,829</u>   |

## Short-term liabilities

## 6 Taxes and social security contributions

|                  |              |              |
|------------------|--------------|--------------|
| AOV/AWW payable  | 2,758        | 2,622        |
| ZV/OV payable    | 1,066        | 936          |
| Wage tax payable | 949          | 1,004        |
| AVBZ payable     | <u>340</u>   | <u>334</u>   |
|                  | <u>5,113</u> | <u>4,896</u> |

## 7 Other liabilities and accrued expenses

|             |              |              |
|-------------|--------------|--------------|
| Credit card | 1,393        | -            |
| Net wages   | <u>1,057</u> | <u>1,040</u> |
|             | <u>2,450</u> | <u>1,040</u> |

## Freegan Food Foundation, Sint Maarten

### 2.5 NOTES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR 2022

|   | <u>2022</u>    | <u>2021</u>    |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>8 Operating income</b>                             |                |                |
| Food market program                                   | 172,879        | 75,999         |
| Food waste program                                    | 151,411        | 115,942        |
| Other income  | 14,989         | -              |
| Other donations                                       | -              | 332,165        |
| School fruits program                                 | -              | 35,553         |
| Food bank program                                     | -              | 315,351        |
|   | <u>339,279</u> | <u>875,010</u> |
| <b>9 Cost of sales</b>                                |                |                |
| Cost of sales   | <u>125,608</u> | <u>642,795</u> |
| <b>Cost of sales</b>                                  |                |                |
| Food purchases  | 115,109        | 554,890        |
| Hygiene supplies                                      | 6,653          | 56,800         |
| Consumables and disposals                             | 1,591          | 768            |
| Beverage purchases                                    | 1,116          | 1,406          |
| Turnover tax expenses                                 | 616            | -              |
| Packing material                                      | 523            | 28,931         |
|   | <u>125,608</u> | <u>642,795</u> |
| <b>10 Expenses of employee benefits</b>               |                |                |
| Wages and salaries                                    | 109,080        | 116,743        |
| Social security premiums                              | 24,009         | 24,519         |
| Other expenses of employee benefits                   | 585            | 1,483          |
|   | <u>133,674</u> | <u>142,745</u> |
| The total amount of employees in 2022 was 7 (2021:7). |                |                |
| <b>Social security premiums</b>                       |                |                |
| AOV/AWW premiums                                      | 12,322         | 12,879         |
| ZV/OV premiums  | 10,229         | 10,145         |
| AVBZ premiums   | 1,458          | 1,495          |
|   | <u>24,009</u>  | <u>24,519</u>  |

**Freegan Food Foundation, Sint Maarten**

|  | <u>2022</u>   | <u>2021</u>    |
|--|---------------|----------------|
|  | \$            | \$             |
| <b>Other expenses of employee benefits</b> |               |                |
| Other staff expenses                       | 417           | 1,071          |
| Uniforms                                   | <u>168</u>    | <u>412</u>     |
|  | <u>585</u>    | <u>1,483</u>   |
| <br><b>11 Other operating expenses</b>     |               |                |
| Housing expenses                           | 44,468        | 47,271         |
| Selling expenses                           | 2,792         | 4,096          |
| Vehicle expenses                           | 13,271        | 28,273         |
| Office expenses                            | 14,026        | 5,687          |
| General expenses                           | <u>22,635</u> | <u>35,448</u>  |
|  | <u>97,192</u> | <u>120,775</u> |
| <br><b>Housing expenses</b>                |               |                |
| Rent                                       | 32,000        | 42,120         |
| Small housing investments                  | 5,617         | 103            |
| Utilities                                  | 4,981         | 4,050          |
| Internet                                   | 973           | 998            |
| Cleaning expenses                          | <u>897</u>    | <u>-</u>       |
|  | <u>44,468</u> | <u>47,271</u>  |
| <br><b>Selling expenses</b>                |               |                |
| Advertising expenses                       | 1,835         | 1,777          |
| Representation expenses                    | 688           | 1,143          |
| Freight expenses                           | 269           | 21             |
| Travelling and hotel expenses              | <u>-</u>      | <u>1,155</u>   |
|  | <u>2,792</u>  | <u>4,096</u>   |
| <br><b>Vehicle expenses</b>                |               |                |
| Fuel                                       | 12,816        | 26,973         |
| Other vehicle expenses                     | <u>455</u>    | <u>1,300</u>   |
|  | <u>13,271</u> | <u>28,273</u>  |
| <br><b>Office expenses</b>                 |               |                |
| Office supplies                            | 8,698         | 517            |
| Computer expenses                          | 3,066         | 2,686          |
| Telephone expenses                         | 2,199         | 2,484          |
| Postage expenses                           | <u>63</u>     | <u>-</u>       |
|  | <u>14,026</u> | <u>5,687</u>   |

**Freegan Food Foundation, Sint Maarten**

|                               | <u>2022</u>   | <u>2021</u>   |
|-------------------------------|---------------|---------------|
|                               | \$            | \$            |
| <b>General expenses</b>       |               |               |
| Insurance premium             | 7,014         | 3,288         |
| Logistic expenses             | 5,347         | 21,844        |
| Professional fees             | 2,800         | 3,680         |
| Accounting fees               | 2,640         | 300           |
| Bank expenses                 | 2,471         | 3,278         |
| Travelling and hotel expenses | 2,086         | -             |
| Other expenses                | 250           | 2,251         |
| Business licenses and permits | 27            | 594           |
| Litigation expenses           | -             | 213           |
|                               | <u>22,635</u> | <u>35,448</u> |