

Stichting Circle Economy

Amsterdam

Report on the annual accounts
2017

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1. AUDITOR'S REPORT

To the board of
Stichting Circle Economy

Amsterdam 14 December 2018

Dear Madams/Sirs ,

1.1 SCOPE OF ENGAGEMENT

In accordance with your instructions we have audited the balance sheet as at 31 December 2017 of Stichting Circle Economy, including the balance sheet with counts of EUR 712.636 and the profit and loss account with a post-tax profit of EUR 654.706.

2.1 BALANCE SHEET AS AT 31 DECEMBER 2017

	<u>31-12-2017</u>		<u>31-12-2016</u>	
	€	€	€	€
ASSETS				
Current assets				
Receivables	1	251.667	-	-
Cash		460.969	78.117	
		<u>712.636</u>	<u>78.117</u>	

		<u>31-12-2017</u>		<u>31-12-2016</u>	
		€	€	€	€
LIABILITIES					
Net assets					
	2				
Appropriation fund		450.000		-	
Other reserve		200.510		(4.196)	
			<u>650.510</u>		<u>(4.196)</u>
Long-term liabilities					
Other long-term liabilities	3		38.788		60.000
Current liabilities, accruals and deferred income					
Repayment obligations	4	21.812		20.800	
Other liabilities and accrued expenses	5	1.526		1.513	
			<u>23.338</u>		<u>22.313</u>
			<u><u>712.636</u></u>		<u><u>78.117</u></u>

2.2 STATEMENT OF ACTIVITIES FOR THE YEAR 2017

		2017	2016
		€	€
Gifts and donations	6	1.402.416	
Paid donations	7	(743.333)	262.700 (520.000)
Gross margin		659.083	(257.300)
Expenses			
Other operating expenses	8	2.230	1.602
Operating result		656.853	(258.902)
Financial income and expense	9	(2.147)	(289)
Net result		654.706	(259.191)
APPROPRIATION OF RESULT			
Appropriation fund (public)		450.000	(230.000)
Other reserve		204.706	(29.191)
		654.706	(259.191)

2.3 NOTES TO THE FINANCIAL STATEMENTS

ENTITY INFORMATION

Registered address and registration number trade register

The registered and actual address of Stichting Circle Economy is Keizersgracht 532, 1017 EK in Amsterdam NL. Stichting Circle Economy is registered at the trade register under number 56282826.

GENERAL NOTES

The most important activities of the entity

The activities of Stichting Circle Economy consist mainly of: The activities of Stichting Circle Economy, having its legal seat at Amsterdam, primarily consist of promoting and initiating of initiatives regarding the exchange of knowledge, expertise and financing of working according a circular economy. Stichting Circle Economy has an ANBI status.

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

The financial statements have been drawn up in accordance with the provisions of the Dutch Accounting Standard 650 'Fondsenwervende organisaties' and 640 'Organisaties-zonder-winststreven' and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

ACCOUNTING PRINCIPLES

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the statement of activities on the basis of the effective interest rate during the estimated term of the long-term debts.

Accounting principles for determining the result

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Other expenses

Costs are taken into account under the historical cost convention and allocated to the period concerned.

Revenue recognition

Income from services is recognized in proportion to the services rendered, based on cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost of these services is allocated to the same period.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2017

CURRENT ASSETS

	31-12-2017	31-12-2016
	€	€
1 Receivables		
Accruals and prepaid expenses	251.667	-
	251.667	-

LIABILITIES

2 Net assets

Movements in equity were as follows:

	Appropriation fund	Other reserve	Total
	€	€	€
Balance as at 1 January 2017	-	(4.196)	(4.196)
Change from net income	450.000	-	450.000
Appropriation of result	-	204.706	204.706
	450.000	200.510	650.510

The appropriation fund in the total amount of EUR 450.000 has been formed with respect to the project 'Delivering Impact to the World'.

3 Other long-term liabilities

	2017	2016
	€	€
Long term loan		
<u>Balance as at 1 January</u>		
Principal amount	100.800	-
Cumulative repayments	(20.000)	-
	80.800	-
Balance as at 1 January		
	80.800	-
Movements		
Increase	-	100.000
Credit with interest	2.216	800
Repayment	(22.416)	(20.000)
	(20.200)	80.800
Balance movements		
	(20.200)	80.800
<u>Balance as at 31 December</u>		
Principal amount	103.016	100.800
Cumulative repayments	(42.416)	(20.000)
	60.600	80.800
Current portion	(21.812)	(20.800)
	38.788	60.000
Balance as at 31 December		
	38.788	60.000

The loan will be repaid in five equal annual installments of twenty thousand Euro on August 31st of every year. The interest rate is three percent per annum. The yearly installment and interest will be donated to the foundation.

	31-12-2017	31-12-2016
	€	€
4 Repayment obligations		
Current instalment on loan	21.812	20.800
	21.812	20.800
	31-12-2017	31-12-2016
	€	€
5 Other liabilities and accrued expenses		
Accruals and other liabilities	1.526	1.513
	1.526	1.513

2.5 NOTES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR 2017

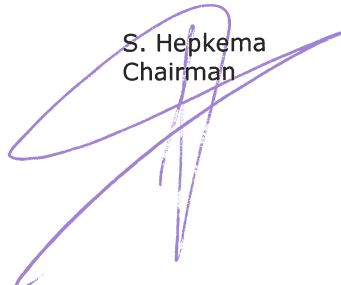
	<u>2017</u>	<u>2016</u>
	€	€
6 GIFTS AND DONATIONS		
Donations	1.315.000	255.000
Gifts	87.416	7.700
	<u>1.402.416</u>	<u>262.700</u>
7 PAID DONATIONS		
Gifts and donations	<u>743.333</u>	<u>520.000</u>
8 OTHER OPERATING EXPENSES		
Office expenses		
Telephone and fax expenses	<u>28</u>	<u>-</u>
General expenses		
Audit costs	<u>2.202</u>	<u>1.602</u>
	<u>2017</u>	<u>2016</u>
	€	€
9 FINANCIAL INCOME AND EXPENSE		
Other interest and similar income	298	794
Interest and similar expenses	(2.445)	(1.083)
	<u>(2.147)</u>	<u>(289)</u>

Amsterdam, 14 December 2018
 Stichting Circle Economy

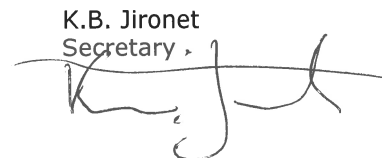
R.J.A.M van Ogtrop
 Boardmember



S. Hepkema
 Chairman



K.B. Jironet
 Secretary



3. OTHER INFORMATION

3.1 INDEPENDENT AUDITOR'S REPORT

Our opinion

We have audited the enclosed balance sheet as at 31 December 2017 and the notes, authenticated by us, of Stichting Circle Economy, based in Amsterdam.

In our opinion, the balance sheet and the notes are prepared, in all material respects, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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 balance sheet and the notes' section of our report.

We are independent of Stichting Circle Economy in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

Emphasis of the basis of accounting and restriction on use and distribution

We draw attention to note 2.3 to the balance sheet and the notes, which describes the basis of accounting. The balance sheet and the notes are intended for the board and members of Stichting Circle Economy and are prepared to assist Stichting Circle Economy to comply with the regulations. As a result, the balance sheet and the notes may not be suitable for another purpose. Therefore, our auditor's report is intended solely for the board and members and should not be distributed to or used by other parties.

Our opinion is not modified in respect of this matter.

Unaudited corresponding figures

We were appointed as auditors of the foundation as from the financial year 2017. Therefore, we have not audited the profit and loss account for the year then ended and the notes nor the corresponding figures included in the financial statements, in the statements of changes and in the related notes.

Responsibilities of the board for the balance sheet and the notes

The board is responsible for the preparation of the balance sheet and the notes in accordance with Part 9 of Book 2 of the Dutch Civil Code. 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 balance sheet and the notes, 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 balance sheet and the notes 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 foundations ability to continue as a going concern in the balance sheet and the notes.

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

Our responsibilities for the audit of the balance sheet and the notes

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 this balance sheet and the notes. 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 balance sheet and the notes, 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 foundations 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 foundations 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 balance sheet and the notes 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 balance sheet and the notes, including the disclosures; and
- Evaluating whether the balance sheet and the notes represent the underlying transactions and events free from material misstatement.

We communicate with the 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.

Amsterdam, 14 December 2018

Londen & Van Holland
Registeraccountants en Belastingadviseurs



M. Ketelaars AA

