

**Stichting Circle Economy
Amsterdam**

Financial report 2019



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Stichting Circle Economy, based in Amsterdam

REPORT



To the Board of
Stichting Circle Economy
Keizersgracht 532
1017 EK Amsterdam

Dear members of the Board,

1 ASSIGNMENT

In accordance with your assignment, we have audited the accompanying financial statements. Management is responsible for the preparation and fair presentation of these financial statements. Our responsibility is to express an opinion on these company financial statements based on our audit.



Stichting Circle Economy, based in Amsterdam

FINANCIAL STATEMENTS 2019



1 BALANCE SHEET AS AT DECEMBER 31, 2019

ASSETS

| <i>(after profit appropriation)</i> | | 31 December 2019 | | 31 December 2018 |
|-------------------------------------|---|---------------------|--------|---------------------|
| | € | € | € | € |
| Current assets | | | | |
| Receivables | | | | |
| Accrued income | - | | 70,976 | |
| | | | | 70,976 |
| Cash and cash equivalents | | 278,954 | | 176,889 |
| Total | | <u>278,954</u> | | <u>247,865</u> |



EQUITY AND LIABILITIES

| <i>(after profit appropriation)</i> | | 31 December 2019 | | 31 December 2018 |
|-------------------------------------|---------|---------------------|---------|---------------------|
| | € | € | € | € |
| Equity | | | | |
| Restricted fund | - | | 166,667 | |
| Other reserve | 7,295 | | 34,604 | |
| | | 7,295 | | 201,271 |
| Non-current liabilities | | - | | 19,200 |
| Current liabilities | | | | |
| Loan current installment | 20,200 | | 21,200 | |
| Other related parties | 247,959 | | - | |
| Other payables | 3,500 | | 6,194 | |
| | | 271,659 | | 27,394 |
| Total | | <u>278,954</u> | | <u>247,865</u> |



2 STATEMENT OF ACTIVITIES FOR THE YEAR 2019

| | 2019 | 2018 |
|--|------------------------|------------------------|
| | € | € |
| Gifts | 721,200 | 421,800 |
| Operating income | <u>721,200</u> | <u>421,800</u> |
| Paid donations | 910,602 | 864,024 |
| Other operating expenses | | |
| General expenses | 3,500 | 5,480 |
| Operating expenses | <u>914,102</u> | <u>869,504</u> |
| Operating result | <u>-192,902</u> | <u>-447,704</u> |
| Financial income and expense | | |
| Interest income and related income | 33 | 184 |
| Interest expenses and related expenses | -1,107 | -1,719 |
| Result | <u><u>-193,976</u></u> | <u><u>-449,239</u></u> |
| <i>Result allocation</i> | | |
| Restricted fund | -166,667 | -283,333 |
| Other reserve | -27,309 | -165,906 |
| Allocated result | <u><u>-193,976</u></u> | <u><u>-449,239</u></u> |



Stichting Circle Economy, based in Amsterdam

3 GENERAL NOTES

Most important activities

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.

Location actual activities

The registered and actual address of Stichting Circle Economy is Keizersgracht 532, 1017EK in Amsterdam, the Registered place of business and is registered at the chamber of commerce under number 56282826.



4 ACCOUNTING POLICIES

GENERAL

General policies

The financial statements have been drawn up in accordance with accounting principles specified hereunder. 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 policies for the valuation of assets and equity and liabilities

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. In the balance sheet, and income statement, references are made to the notes.

Accounting policies for the income statement

The result is the difference between the realisable value of the goods/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.

ACCOUNTING POLICIES FOR ASSETS

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at banks and in hand is carried at nominal value.

ACCOUNTING POLICIES FOR EQUITY AND LIABILITIES

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. The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts. Recorded interest-bearing loans and liabilities are valued at amortized cost.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

Gifts

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to that moment, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.



Stichting Circle Economy, based in Amsterdam

Interest and related expenses

Interest 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.



5 NOTES TO BALANCE SHEET

RECEIVABLES

| | 31 December 2019 | 31 December 2018 |
|----------------|---------------------|---------------------|
| | € | € |
| Accrued income | - | 70,976 |
| Total | <u>-</u> | <u>70,976</u> |

EQUITY

| | 31 December 2019 | 31 December 2018 |
|-----------------|---------------------|---------------------|
| | € | € |
| Restricted fund | - | 166,667 |
| Other reserve | 7,295 | 34,604 |
| Total | <u>7,295</u> | <u>201,271</u> |

Restricted fund

| | 2019 |
|----------------------------|----------|
| | € |
| Balance 1 January | 166,667 |
| Allocation reserve | -166,667 |
| | - |
| Balance 31 December | <u>-</u> |

Other reserve

| | 2019 |
|----------------------------|--------------|
| | € |
| Balance 1 January | 34,604 |
| Allocation reserve | -27,309 |
| | 7,295 |
| Balance 31 December | <u>7,295</u> |

NON-CURRENT LIABILITIES

| | 31 December 2019 | 31 December 2018 |
|--------------------|---------------------|---------------------|
| | € | € |
| Subordinated loans | - | 19,200 |
| Total | <u>-</u> | <u>19,200</u> |



CURRENT LIABILITIES

| | 31 December 2019 | 31 December 2018 |
|---|---------------------|---------------------|
| | € | € |
| Loan current installment | 20,200 | 21,200 |
| Other related parties | | |
| Payable to Coöperatieve Circle Economy U.A. | 247,959 | - |
| Other payables | 3,500 | 6,194 |
| Total | <u>271,659</u> | <u>27,394</u> |

Disclosure

The loan will be repaid in five equal annual installments of twenty thousand Euro on 31 August of every year. For the first time in 2016. The interest rate is three percent per annum.

The yearly installment and interest will be donated to the foundation.



6 NOTES TO INCOME STATEMENT

REVENUE AND GROSS MARGIN

| | 2019 | 2018 |
|-------------------------|------------------------|------------------------|
| | € | € |
| Gifts | | |
| Donations | 700,000 | 400,000 |
| Gifts | 21,200 | 21,800 |
| | <u>721,200</u> | <u>421,800</u> |
| Operating income | 721,200 | 421,800 |
| Paid donations | 910,602 | 864,024 |
| Gross margin | <u><u>-189,402</u></u> | <u><u>-442,224</u></u> |

OTHER OPERATING EXPENSES

| | 2019 | 2018 |
|------------------|--------------|--------------|
| | € | € |
| General expenses | 3,500 | 5,480 |
| Total | <u>3,500</u> | <u>5,480</u> |

FINANCIAL INCOME AND EXPENSE

| | 2019 | 2018 |
|-------------------------------------|----------------------|----------------------|
| | € | € |
| Other interest and similar income | 33 | 184 |
| Interest and similar expenses | -1,000 | -1,600 |
| Bank fees | -107 | -119 |
| Financial income and expense | <u><u>-1,074</u></u> | <u><u>-1,535</u></u> |



7 OTHER NOTES

SIGNATURE

Amsterdam, dated 17 August, 2020

Name

Signature

R.J.A.M. van Ogtrop

Robert-Jan van Ogtrop
Robert-Jan van Ogtrop (Aug 18, 2020 16:20 GMT+2)

S. Hepkema


Sietze Hepkema (Aug 19, 2020 13:08 GMT+2)

K.B. Jironet

Karin Jironet
Karin Jironet (Aug 18, 2020 17:19 GMT+2)



OTHER INFORMATION

1 INDEPENDENT AUDITOR'S REPORT

To the Board of Stichting Circle Economy

A. Report on the audit of the financial statements included in the financial report

Our opinion

We have audited the financial statements 2019 of Stichting Circle Economy, based in Amsterdam. In our opinion the accompanying financial statements 2018 are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the foundation, as set out in note 4 to the financial statements.

The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the statement of activities for the year 2019; and
3. the notes comprising 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 Circle Economy 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.

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

We draw attention to note 4 to the financial statements, which describes the basis of accounting. The financial statements are intended for the board and are prepared to assist Stichting Circle Economy to comply with the articles of association. As a result, the financial statements may not be suitable for another purpose. Therefore, our auditor's report is intended solely for Stichting Circle Economy and should not be distributed to or used by other parties than Stichting Circle Economy.

Our opinion is not modified in respect of this matter.

B. Description of responsibilities regarding the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies selected and disclosed by the foundation, as set out in note 4 to the financial statements. Furthermore, the board is responsible for such internal control as the board 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, the board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless the board either intend to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The board 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 e.g.:

- 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 internal control of the foundation;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- Concluding on the appropriateness of the going concern basis of accounting used by the board, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the foundation 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 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, 17 August 2020

Horlings Accountants & Belastingadviseurs B.V.



N.C.G. Kuipers
Registeraccountant