

Freegan Food Foundation

at Sint Maarten

Financial statements 2023

Table of contents

| | Page |
|--|------|
| 1. COMPILATION REPORT | |
| 1.1 Accountant's compilation report | 3 |
| 2. FINANCIAL STATEMENTS | |
| 2.1 Balance sheet as at 31 December 2023 | 5 |
| 2.2 Statement of activities for the year 2023 | 7 |
| 2.3 Notes to the financial statements | 8 |
| 2.4 Notes to the balance sheet as at 31 December 2023 | 9 |
| 2.5 Notes to the statement of activities for the year 2023 | 12 |

Freegan Food Foundation, Sint Maarten

1. COMPILATION REPORT

Freegan Food Foundation

R24.037/md/PL

1.1 ACCOUNTANT'S COMPILATION REPORT

The 2023 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 of 31 December 2023 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.

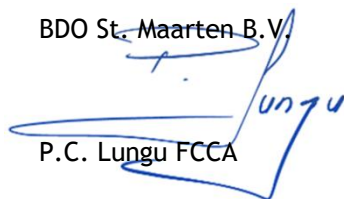
This compilation engagement has been performed by us in accordance with Dutch Standard 4410 for "Compilation engagements", which is applicable to accountants. The standard requires us to assist you with the preparation and presentation of the financial statements in accordance with Book 2 of the St. 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, 8 July 2024

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 2023

| | | <u>31 December 2023</u> | <u>31 December 2022</u> |
|--------------------------------------|----------|-------------------------|-------------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Fixed assets | | | |
| Property, plant and equipment | <i>1</i> | | |
| Furniture and fixtures | | 17,212 | 8,468 |
| Vehicles | | <u>50,519</u> | <u>25,897</u> |
| | | 67,731 | 34,365 |
| Current assets | | | |
| Receivables | | | |
| Accounts Receivables | <i>2</i> | - | 581 |
| Other receivables | <i>3</i> | <u>20,392</u> | <u>17,501</u> |
| | | 20,392 | 18,082 |
| Cash and cash equivalents | <i>4</i> | 21,099 | 22,945 |
| Total assets | | <u><u>109,222</u></u> | <u><u>75,392</u></u> |

Freegan Food Foundation, Sint Maarten

| | | <u>31 December 2023</u> | | <u>31 December 2022</u> | |
|---|---|-------------------------|----------------|-------------------------|---------------|
| | | \$ | \$ | \$ | \$ |
| EQUITY AND LIABILITIES | | | | | |
| Foundation's capital | 5 | | | | |
| Undistributed result | | 67,829 | | 95,283 | |
| Result for the year | | <u>(1,049)</u> | | <u>(27,454)</u> | |
| | | | 66,780 | | 67,829 |
| Equalisation accounts | 6 | | 27,500 | | - |
| Short-term liabilities | | | | | |
| Suspense account | 7 | 4,918 | | - | |
| Taxes and social security contributions | 8 | 5,145 | | 5,113 | |
| Other liabilities and accrued expenses | 9 | <u>4,879</u> | | <u>2,450</u> | |
| | | | 14,942 | | 7,563 |
| Total equity and liabilities | | | <u>109,222</u> | | <u>75,392</u> |

Freegan Food Foundation, Sint Maarten

2.2 STATEMENT OF ACTIVITIES FOR THE YEAR 2023

| | | 2023 | 2022 |
|---------------------------------|----|-----------------------|------------------------|
| | | \$ | \$ |
| Net turnover | 10 | 392,155 | 339,279 |
| Cost of sales | 11 | <u>(138,866)</u> | <u>(125,608)</u> |
| Gross margin | | 253,289 | 213,671 |
| Expenses | | | |
| Expenses of employee benefits | 12 | 149,818 | 133,674 |
| Depreciation | | 12,978 | 10,259 |
| Other operating expenses | 13 | <u>91,542</u> | <u>97,192</u> |
| Total of sum of expenses | | <u>254,338</u> | <u>241,125</u> |
| Total of net result | | <u><u>(1,049)</u></u> | <u><u>(27,454)</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.

Equalization reserves

Freegan Food Foundation has formed an equalization reserve for donated tangible assets. The amount that is related to the donated vehicle is amortized in line with the straight-line depreciation of the related assets.

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.

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023

Fixed assets

1 Property, plant and equipment

| | <i>Furniture and fixtures</i> | <i>Vehicles</i> | <i>Total</i> |
|--|-----------------------------------|-----------------|---------------|
| | \$ | \$ | \$ |
| Balance as at 1 January 2023 | | | |
| Cost | 12,150 | 41,471 | 53,621 |
| Accumulated depreciation | (3,682) | (15,574) | (19,256) |
| Book value as at 1 January 2023 | <u>8,468</u> | <u>25,897</u> | <u>34,365</u> |
| Movements | | | |
| Additions | 12,936 | 35,908 | 48,844 |
| Depreciation | (4,192) | (8,786) | (12,978) |
| Release of deferred income from donations | - | (2,500) | (2,500) |
| Balance movements | <u>8,744</u> | <u>24,622</u> | <u>33,366</u> |
| Balance as at 31 December 2023 | | | |
| Cost | 25,086 | 77,379 | 102,465 |
| Accumulated revaluations | - | (2,500) | (2,500) |
| Accumulated depreciation | (7,874) | (24,360) | (32,234) |
| Book value as at 31 December 2023 | <u>17,212</u> | <u>50,519</u> | <u>67,731</u> |
| Depreciation percentages | <u>20%</u> | <u>20%</u> | |

Current assets

Receivables

| | <u>31-12-2023</u> | <u>31-12-2022</u> |
|------------------------|-------------------|-------------------|
| | \$ | \$ |
| 2 Accounts Receivables | | |
| Accounts receivables | <u>-</u> | <u>581</u> |

The amounts presented under accounts receivables for the year ended December 31, 2022 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.

As of 2023 the bank account was no longer part of the Freegan Food administration.

Freegan Food Foundation, Sint Maarten

| | <u>31-12-2023</u> | <u>31-12-2022</u> |
|--|-------------------|------------------------------------|
| | \$ | \$ |
| 3 Other receivables | | |
| Guarantee deposit | 15,932 | 16,352 |
| Prepaid insurance | 1,444 | - |
| Other receivables | 2,880 | 699 |
| Employees advances | 117 | 450 |
| Overpayment turnovertax | 19 | - |
| | <u>20,392</u> | <u>17,501</u> |
| 4 Cash and cash equivalents | | |
| Windward Islands Bank Ltd. (USD account) | 14,822 | 5,268 |
| Windward Islands Bank Ltd. (ANG account) | 5,977 | 17,377 |
| Petty Cash | 300 | 300 |
| | <u>21,099</u> | <u>22,945</u> |
| 5 Foundation's capital | | |
| | | <i>Undistributed result</i> |
| | | <i>(incl. result for the year)</i> |
| | | \$ |
| Balance as at 1 January 2023 | | 67,829 |
| Result for the year | | <u>(1,049)</u> |
| Balance as at 31 December 2023 | | <u>66,780</u> |
| 6 Equalisation accounts | | |
| Equalisation reserve | <u>27,500</u> | <u>-</u> |
| Equalisation reserve | | |
| Balance as at 1 January | - | - |
| Addition | 30,000 | - |
| Release | <u>(2,500)</u> | <u>-</u> |
| Balance as at 31 December | <u>27,500</u> | <u>-</u> |
| In 2023 Altree Development donated an amount of USD 30,000 to Freegan Food Foundation to purchase a Nissan e-NV200 Van. In line with the depreciation of the vehicle a proportional part of the contribution in the deferred income from donations is released to the income statement as a decrease of the depreciation expenses. | | |
| Short-term liabilities | | |
| 7 Suspense account | | |
| Funds from food market program | <u>4,918</u> | <u>-</u> |

Freegan Food Foundation, Sint Maarten

| | <u>31-12-2023</u> | <u>31-12-2022</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| 8 Taxes and social security contributions | | |
| AOV/AWW payable | 2,780 | 2,758 |
| ZV/OV payable | 1,087 | 1,066 |
| Wage tax payable | 937 | 949 |
| AVBZ payable | 341 | 340 |
| | <u>5,145</u> | <u>5,113</u> |
| 9 Other liabilities and accrued expenses | | |
| Utilities | 4,571 | - |
| Credit card | 308 | 1,393 |
| Net wages | - | 1,057 |
| | <u>4,879</u> | <u>2,450</u> |

2.5 NOTES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR 2023

| | <u>2023</u> | <u>2022</u> |
|---|----------------|----------------|
| | \$ | \$ |
| 10 Net turnover | | |
| Food market program | 209,660 | 172,879 |
| Food waste program | 143,013 | 151,411 |
| Other income | 39,482 | 14,989 |
| | <u>392,155</u> | <u>339,279</u> |
| 11 Cost of sales | | |
| Cost of sales | <u>138,866</u> | <u>125,608</u> |
| Cost of sales | | |
| Food purchases | 133,234 | 115,109 |
| Turnover tax expenses | 2,523 | 616 |
| Consumables and disposals | 1,715 | 1,591 |
| Hygiene supplies | 805 | 6,653 |
| Packing material | 589 | 523 |
| Beverage purchases | - | 1,116 |
| | <u>138,866</u> | <u>125,608</u> |
| 12 Expenses of employee benefits | | |
| Wages and salaries | 122,231 | 109,080 |
| Social security premiums | 27,357 | 24,009 |
| Other expenses of employee benefits | 230 | 585 |
| | <u>149,818</u> | <u>133,674</u> |
| The total amount of employees in 2023 was 7 (2022:7). | | |
| Social security premiums | | |
| AOV/AWW premiums | 13,298 | 12,322 |
| ZV/OV premiums | 12,536 | 10,229 |
| AVBZ premiums | 1,523 | 1,458 |
| | <u>27,357</u> | <u>24,009</u> |
| Other expenses of employee benefits | | |
| Uniforms | 119 | 168 |
| Other staff expenses | 111 | 417 |
| | <u>230</u> | <u>585</u> |

Freegan Food Foundation, Sint Maarten

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|---------------|---------------|
| | \$ | \$ |
| 13 Other operating expenses | | |
| Housing expenses | 49,035 | 44,468 |
| Selling expenses | 4,001 | 2,792 |
| Vehicle expenses | 10,151 | 13,271 |
| Office expenses | 14,131 | 14,026 |
| General expenses | 14,224 | 22,635 |
| | <u>91,542</u> | <u>97,192</u> |
| Housing expenses | | |
| Rent | 40,300 | 32,000 |
| Utilities | 4,571 | 4,981 |
| Small housing investments | 2,871 | 5,617 |
| Internet | 953 | 973 |
| Cleaning expenses | 340 | 897 |
| | <u>49,035</u> | <u>44,468</u> |
| Selling expenses | | |
| Advertising expenses | 2,158 | 1,835 |
| Representation expenses | 1,721 | 688 |
| Freight expenses | 122 | 269 |
| | <u>4,001</u> | <u>2,792</u> |
| Vehicle expenses | | |
| Fuel | 10,151 | 12,816 |
| Other vehicle expenses | - | 455 |
| | <u>10,151</u> | <u>13,271</u> |
| Office expenses | | |
| Computer expenses | 11,587 | 3,066 |
| Telephone expenses | 1,728 | 2,199 |
| Office supplies | 816 | 8,698 |
| Postage expenses | - | 63 |
| | <u>14,131</u> | <u>14,026</u> |

Freegan Food Foundation, Sint Maarten

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|---------------|---------------|
| | \$ | \$ |
| General expenses | | |
| Insurance premium | 5,207 | 7,014 |
| Logistic expenses | 3,941 | 5,347 |
| Professional fees | 3,375 | 2,800 |
| Bank expenses | 2,599 | 2,471 |
| Business licenses and permits | 161 | 27 |
| Other expenses | 4 | 250 |
| Travelling and hotel expenses | - | 2,086 |
| Accounting fees | - | 2,640 |
| Prior year adjustment | (1,063) | - |
| | <u>14,224</u> | <u>22,635</u> |

14 Commitments & Contingencies

Freegan Food Foundation has a contract with WIFOL for rental of the building located at Walter A Nisbeth Road. The contract started from January 1st 2021 and ends December 31,2025. The monthly rent until December 31, 2023 was USD 2,000 and as per January 1st 2024 the monthly rent was increased to USD 3,100.

15 Subsequent events

There are no subsequent events.