

FINANCIAL STATEMENTS

Circle Economy Foundation, Amsterdam

1 BALANCE SHEET AS AT DECEMBER 31, 2023

(after appropriation of results)

	December 31, 2023		December 31, 2022	
	€	€	€	€
ASSETS				
Fixed assets				
Intangible fixed assets	(1)			
Concessions, permits and intellectual property rights		15,576		25,576
Goodwill		25,599		-
			41,175	25,576
Tangible fixed assets	(2)			
Equipment			3,518	8,769
Financial fixed assets	(3)			
Participations in group companies		6,812		-
Other receivables		32,007		24,824
			38,819	24,824
Current assets				
Work in progress on construction contracts	(4)		254,385	269,383
Receivables, prepayments and accrued income	(5)			
Trade receivables		372,547		750,887
Corporate income tax		26,025		18,481
Other receivables, deferred assets		381,021		81,341
			779,593	850,709
Cash and cash equivalents	(6)		437,588	150,897
			1,555,078	1,330,158

2 STATEMENT OF INCOME AND EXPENDITURE 2023

		2023		2022	
		€	€	€	€
Net turnover	(10)		5,293,557		4,934,610
Cost of subcontracted work and other external charges	(11)		935,623		1,131,291
Sum of operating income			4,357,934		3,803,319
Expenses					
Employee expenses	(12)	3,845,300		3,338,841	
Amortisation and depreciation	(13)	20,997		10,900	
Accomodation expenses	(14)	90,865		99,468	
Office expenses	(15)	88,541		104,598	
Selling and distribution expenses	(16)	199,178		180,478	
General expenses	(17)	114,948		133,044	
			4,359,829		3,867,329
Operating result			-1,895		-64,010
Financial income and expenses	(18)		-7,011		-21,697
Result			-8,906		-85,707
Taxes			2,884		11,637
			-6,022		-74,070
Result participating interests	(19)		6,711		-
Result			689		-74,070

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

The activities of Circle Economy Foundation consist mainly of advisory in the field of circularity and to support organisations with the implementation of strategies and models for a circular economy.

Going concern

The financial statements of Circle Economy Foundation show a positive result for 2023 of € 689. The equity of Circle Economy Foundation amounts to December 31, 2023 € -44,118. This could raise concerns about the continuity of the foundation. Based on the interim figures of 2024 the board is convinced that the continuity is not unsecure.

Registered office, legal form and registration number at the chamber of commerce

Circle Economy Foundation is registered and actual established at Haarlemmerweg 331 A in Amsterdam and is registered at the Chamber of Commerce with number 52051048.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Circle Economy Foundation make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statements have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code for micro entities.

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, income statement and the cash flow statement, references are made to the notes.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

The tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial fixed assets

Participations

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of fixed assets"); an impairment is recognised and charged to the income statement.

Other receivables

Other receivables included under financial fixed assets include loans granted and other receivables, as well as purchased loans that will be held to maturity. These receivables are initially valued at fair value. Subsequently, these loans are valued at amortized cost. If there are any discounts or premiums when loans are granted, these are credited or charged to income as part of the effective interest during the term, respectively. Transaction costs are also included in the initial valuation and charged to income as part of the effective interest rate. Impairment losses are deducted from earnings.

Work in progress on construction contracts

Construction contracts commissioned by third parties comprises the balance of project costs realised, profit attributed, and if applicable, recognised losses and instalments already invoiced. Construction contracts are separately presented in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities.

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Project income and project costs pursuant to projects in progress are processed as income and costs in the profit and loss account proportionally to the attained performance on the balance sheet date. The extent to which the performance has been attained is determined based on the project costs up to the balance sheet date in relation to the estimated total project costs/inspection of the executed part of the project/ completion of a physically discernible project part.

Projects in progress for which the balance is a debit amount are presented as current assets. Projects in progress for which the balance is a credit amount are presented under short-term debt.

Project income realised in the financial year is processed as income in the profit and loss account (net turnover entry). Project costs have been included in the costs of raw materials and consumables and in the cost of outsourced work and other external costs.

Securities

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

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 profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

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 and minus transaction costs. This is usually the nominal value.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from services performed and the costs and expenses for that year, valued at historical costs.

Revenue recognition

General

Net turnover includes the income from the delivery of goods and services and realized project income from projects in progress, less discounts and the like and taxes levied on turnover. This identifies individual performance obligations. The transaction price is then determined and allocated to the individual performance obligation. This takes into account discounts and the like and taxes levied on turnover.

Expenses general

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

Financial income and expenses

Interest income and interest 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.

Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Result participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Circle Economy Foundation.

4 NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2023

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Concessions, permits and intellectual property rights	Goodwill	Total
	€	€	€
Carrying amount as of January 1, 2023	25,576	-	25,576
Investments	-	31,346	31,346
Amortization	-10,000	-5,747	-15,747
Carrying amount as of December 31, 2023	<u>15,576</u>	<u>25,599</u>	<u>41,175</u>
Purchase price	30,000	31,346	61,346
Cumulative depreciation and impairment	-14,424	-5,747	-20,171
Carrying amount as of December 31, 2023	<u>15,576</u>	<u>25,599</u>	<u>41,175</u>

Amortisation rates

	%
Concessions, permits and intellectual property rights	33,33
Goodwill	20

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2. Tangible fixed assets

	Equipment
	€
Carrying amount as of January 1, 2023	8,768
Disposals	-33,122
Depreciation disposal	33,122
Depreciation	-5,250
Carrying amount as of December 31, 2023	<u>3,518</u>
Purchase price	29,933
Cumulative depreciation and impairment	-26,415
Carrying amount as of December 31, 2023	<u>3,518</u>

Depreciation rates

	%
Equipment	20

3. Financial fixed assets

	12/31/2023	12/31/2022
	€	€
Participations in group companies		
Circle Economy Consulting B.V. at Amsterdam (100%)	1	-
One Future Play B.V. at Amsterdam (100%)	6,811	-
	<u>6,812</u>	<u>-</u>

	2023	2022
	€	€
<i>Circle Economy Consulting B.V.</i>		
Carrying amount as of January 1	-	-
Investments	100	-
Share in result	-99	-
Carrying amount as of December 31	<u>1</u>	<u>-</u>

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	2023	2022
	€	€
<i>One Future Play B.V.</i>		
Carrying amount as of January 1	-	-
Investments	1	-
Share in result	6,810	-
Carrying amount as of December 31	<u>6,811</u>	<u>-</u>

	12/31/2023	12/31/2022
	€	€
Other receivables		
Deferred tax asset	19,602	16,718
Deposits	12,405	8,106
	<u>32,007</u>	<u>24,824</u>

	2023	2022
	€	€
<i>Deferred tax asset</i>		
Carrying amount as of January 1	16,718	11,651
Additions	2,884	5,067
Carrying amount as of December 31	<u>19,602</u>	<u>16,718</u>

The deferred tax asset is accounted for a deductible loss of € 103,169 in total.

<i>Deposits</i>		
Carrying amount as of January 1	8,106	8,106
Additions	4,299	-
Carrying amount as of December 31	<u>12,405</u>	<u>8,106</u>

CURRENT ASSETS

	12/31/2023	12/31/2022
	€	€
4. Work in progress on construction contracts		
Projects in progress	<u>254,385</u>	<u>269,383</u>

5. Receivables, prepayments and accrued income

	12/31/2023	12/31/2022
	€	€
Trade receivables		
Debtors	372,547	750,887
Other receivables, deferred assets		
Other receivables	145,835	-
Prepayments and accrued income	235,186	81,341
	<u>381,021</u>	<u>81,341</u>

Other receivables

Current account Circle Economy Consulting B.V.	4,003	-
Current account One Future Play B.V.	141,832	-
	<u>145,835</u>	<u>-</u>

Current account Circle Economy Consulting B.V.

	2023	2022
	€	€
Carrying amount as of January 1	-	-
Movement	3,890	-
Interest	113	-
Carrying amount as of December 31	<u>4,003</u>	<u>-</u>

An interest of 12-months Euribor and a fixed rate of 2% is calculated on the current account.

Current account One Future Play B.V.

Carrying amount as of January 1	-	-
Movement	136,498	-
Interest	5,334	-
Carrying amount as of December 31	<u>141,832</u>	<u>-</u>

An interest of 12-months Euribor and a fixed rate of 2% is calculated on the current account.

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	<u>12/31/2023</u>	<u>12/31/2022</u>
	€	€
Prepayments and accrued income		
Amounts/invoices to be received	<u>235,186</u>	<u>81,341</u>
6. Cash and cash equivalents		
Bank account NL86 ABNA 0488 3807 23	441,272	145,108
Business Creditcard	<u>-3,684</u>	<u>5,789</u>
	<u>437,588</u>	<u>150,897</u>

EQUITY AND LIABILITIES

7. Equity

	2023	2022
	€	€
Other reserves		
Carrying amount as of January 1	-44,807	29,263
Allocation of financial year net result	689	-74,070
Carrying amount as of December 31	<u>-44,118</u>	<u>-44,807</u>

8. Non-current liabilities

	12/31/2023	12/31/2022
	€	€
Taxes and social securities		
Pay-roll tax	136,624	192,734
NOW payments	11,867	17,800
	<u>148,491</u>	<u>210,534</u>
	2023	2022
	€	€
Carrying amount as of January 1	267,462	279,795
Interest added	818	1,899
Payments this year	-59,301	-14,232
Carrying amount as of December 31	<u>208,979</u>	<u>267,462</u>
Repayment obligations next financial year	-60,488	-56,928
Non-current part as of December 31	<u>148,491</u>	<u>210,534</u>

9. Current liabilities

	<u>12/31/2023</u>	<u>12/31/2022</u>
	€	€
Repayment obligation long-term debt		
Taxes	<u>60,488</u>	<u>56,928</u>
Projects in progress		
<u>Credit balance contracts</u>		
Pre-invoiced amounts	<u>1,029,129</u>	<u>791,002</u>
Trade creditors		
Creditors	<u>113,401</u>	<u>127,600</u>
Taxes and social securities		
VAT	50,980	44,466
Pay-roll tax	<u>102,959</u>	<u>101,421</u>
	<u>153,939</u>	<u>145,887</u>
Other liabilities and Accruals and deferred income		
Accruals and deferred income	<u>93,748</u>	<u>43,014</u>
Accruals and deferred income		
Audit costs	8,000	31,145
Net income	12,820	3,384
Invoices to be received	<u>72,928</u>	<u>8,485</u>
	<u>93,748</u>	<u>43,014</u>

CONTINGENT ASSETS AND LIABILITIES

Long-term financial obligations

Rental commitments buildings

The company have long-term rental commitments, which relate to the rent of the office/building. The commitments amount to € 50,730 for 2024.

5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2023

	2023	2022
	€	€
10. Net turnover		
Revenue	5,293,557	4,934,610
11. Cost of subcontracted work and other external charges		
Cost of third party labour	935,623	1,131,291
12. Employee expenses		
Wages and salaries	3,042,060	2,594,379
Social security charges	517,025	456,835
Pension costs	143,521	131,786
Other personnel costs	142,694	155,841
	<u>3,845,300</u>	<u>3,338,841</u>
<i>Wages and salaries</i>		
Gross wages	2,875,902	2,478,857
Movement of holiday bonus liability	217,978	187,588
	<u>3,093,880</u>	<u>2,666,445</u>
Sick pay received	-51,820	-72,066
	<u>3,042,060</u>	<u>2,594,379</u>
<i>Social security charges</i>		
Other social charges	517,025	456,835
	<u>517,025</u>	<u>456,835</u>
<i>Pension costs</i>		
Pension costs	143,521	131,786
	<u>143,521</u>	<u>131,786</u>

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	2023	2022
	€	€
<i>Other personnel costs</i>		
Travelling expenses	32,418	19,701
Expense allowances	25,527	25,388
Taxfree allowance	13,291	9,816
Canteen costs	7,979	10,769
Education allowance and training costs	26,699	39,053
Personnel insurance costs	20,301	43,244
Recruitment costs	8,001	1,673
Other personnel costs	8,478	6,197
	<u>142,694</u>	<u>155,841</u>
Staff		
During 2023, 57 employees were employed on a full-time basis.		
13. Amortisation and depreciation		
Intangible fixed assets	15,747	4,424
Tangible fixed assets	5,250	6,476
	<u>20,997</u>	<u>10,900</u>
<i>Amortisation of intangible fixed assets</i>		
Concessions, permits and intellectual property rights	10,000	4,424
Goodwill	5,747	-
Totaal	<u>15,747</u>	<u>4,424</u>
<i>Depreciation of tangible fixed assets</i>		
Equipment	<u>5,250</u>	<u>6,476</u>
Other operating expenses		
14. Accomodation expenses		
Rent buildings	98,716	95,656
Cleaning costs	4,149	3,812
	<u>102,865</u>	<u>99,468</u>
Allocated rent to Circle Economy Consulting B.V.	<u>-12,000</u>	<u>-</u>
	<u>90,865</u>	<u>99,468</u>

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	2023	2022
	€	€
15. Office expenses		
Office supplies	229	1,468
Printed matter	4,151	8,560
Automation costs	82,463	94,321
Telephone	43	165
Postage	-	84
Other office supplies	1,655	-
	<u>88,541</u>	<u>104,598</u>
16. Selling and distribution expenses		
Publicity and advertisement	71,785	47,033
Business gifts	663	1,662
Travelling expenses	126,342	128,350
Food and beverage costs	388	3,433
	<u>199,178</u>	<u>180,478</u>
17. General expenses		
Audit costs	13,536	35,946
Accounting costs	79,832	48,574
Consultancy fees	3,592	19,813
Legal charges	1,714	25,261
Fines Tax Authority	3,343	1,899
Interest Tax Authority	818	-
Other general expenses	12,113	1,551
	<u>114,948</u>	<u>133,044</u>
18. Financial income and expenses		
Interest and similar income	5,447	-
Interest and similar expenses	-12,458	-21,697
	<u>-7,011</u>	<u>-21,697</u>
<i>Interest and similar income</i>		
Interest current account Circle Economy Consulting B.V.	113	-
Interest current account One Future Play B.V.	5,334	-
	<u>5,447</u>	<u>-</u>

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	2023	2022
	€	€
<i>Interest and similar expenses</i>		
Banking expenses	1,660	1,790
Other interest payable	-	1,510
Interest current account R.J.A.M. van Ogtrop	2,863	-
Currency differences	7,935	18,397
	<u>12,458</u>	<u>21,697</u>
19. Result participating interests		
Share in result of Circle Economy Consulting B.V.	-99	-
Share in result of One Future Play B.V.	6,810	-
	<u>6,711</u>	<u>-</u>