

**ANNUAL REPORT 2023/2024**

**SOLES4SOULS EUROPE STICHTING  
AMSTERDAM**

draft

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draft

**REPORT OF THE AUDITORS**

draft

To the management of  
Soles4Souls Europe Stichting  
Stieltjesweg 8  
6827BV Arnhem

Huizen, October 20, 2025

Dear management board,

Enclosed you find the report regarding the financial statements for the year 2023/2024 of the foundation in draft.

## **1 SCOPE OF ENGAGEMENT**

In accordance with your instructions we have compiled the annual accounts 2023/2024 of the foundation, including the balance sheet with a total of \$ 851,880 and the statement of income and expenditure with a result of \$ 907,434.

## **2 NO OPINION INCLUDED**

Because the activities of the provided engagement have not yet been completed, we are not allowed to include an opinion in this report.

### **3 GENERAL**

#### **3.1 Board**

The board of directors is formed by:

E.C. Teaster III, Chairman

N.S. Youssef, Secretary

P.J.H.M. Erren, Director

J.M. Njoroge, CFO

T.P. McCrary

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**FINANCIAL STATEMENTS**

draft

**1 BALANCE SHEET AS AT JUNE 30, 2024**  
(After appropriation of the result)

	06/30/2024	06/30/2023
	\$	\$
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
<b>Tangible fixed assets</b> (1)		
Furniture and fixtures	2,814	3,226
<b>CURRENT ASSETS</b>		
<b>Inventories</b> (2)	661,023	376,282
<b>Receivables, prepayments and accrued income</b> (3)		
Taxes and social security contributions	-	774
Other receivables, prepayments and accrued income	182,421	8,937
	182,421	8,937
<b>Cash and cash equivalents</b> (4)	5,622	2,873
	851,880	392,092

**SOLES4SOULS EUROPE STICHTING  
AMSTERDAM**

	06/30/2024		06/30/2023	
	\$	\$	\$	\$
<b>EQUITY AND LIABILITIES</b>				
<b>RESERVES AND FUNDS</b> (5)				
General reserve	83,744		-194,692	
Continuity reserve	628,998		-	
		712,742		-194,692
<b>CURRENT LIABILITIES</b> (6)				
Due to group companies	104,780		582,963	
Taxes and social security contributions	4,125		-	
Other liabilities, accruals and deferred income	30,233		3,821	
		139,138		586,784
		851,880		392,092

**2 STATEMENT OF INCOME AND EXPENDITURE 2023/2024**

	Balance 2023/2024	Balance 2022/2023
	\$	\$
<b>Income</b>		
GIK income	6,424,428	1,515,546
Operating income	1,153,127	429,771
<b>Sum of income</b>	7,577,555	1,945,317
<b>Expenses</b>		
<b>Spent on objectives</b>		
GIK expenses	6,139,687	1,656,892
Operating expenses	5,917	3,052
	6,145,604	1,659,944
<b>Costs of management and accounting</b>		
Employee expenses	(7) 430,353	314,851
Amortization and depreciation	412	412
Other operating expenses	(8) 90,504	139,843
	521,269	455,106
<b>Balance before financial income and expense</b>	910,682	-169,733
Financial income and expenses	(9) -3,248	-1,697
<b>Result</b>	907,434	-171,430
<b>Appropriation of the results</b>		
General reserve	907,434	-171,430

### **3 ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT OF THE ANNUAL ACCOUNTS**

#### **GENERAL**

##### **Activities**

The object of Soles4Souls Europe Stichting, with registered offices in Amsterdam, is to create sustainable jobs and provide relief through the distribution of shoes and clothing around the world and anything which may directly or indirectly relate or be conducive there to, all in the broadest sense of terms. The registration number of the Chamber of Commerce is 74523457. The actual seat of the company is Arnhem.

#### **GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS**

The annual accounts have been prepared using accounting principles based as described below.

Valuation of assets and liabilities and determination of the result take place at nominal value unless stated otherwise.

##### **Foreign currency**

###### ***Functional and presentational currency***

Items included in the financial statements are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The financial statements are presented in USD which is the functional and presentational currency of Soles4Souls Europe Stichting.

###### ***Transactions, receivables and liabilities***

Transactions in foreign currency during the financial year are recognized in the annual account at the exchange rates prevailing at transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

##### **Financial instruments**

Financial instruments include both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the recognition per balance sheet item. The company makes no use of financial derivatives.

## **ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES**

### **Tangible fixed assets**

Tangible fixed assets are presented at cost less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

### **Inventories**

Inventories are received as donations in kind and are valued at fair market value based on the approximate cost of the item using a consistent calculation methodology.

### **Reserves and funds**

#### ***Continuity reserve***

A continuity reserve is established to cover short-term risks and to ensure that the fundraising organization can continue to meet its obligations in the future. The size of the continuity reserve is determined based on the average level of organizational costs of the Fund over a three-year period. The amount of the continuity reserve complies with the standard set by the VFI guideline "Reserves for Charities", which allows a maximum of 1.5 times the operational costs of the organization.

## **ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **Determination of the result**

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the aforementioned valuation principles.

### **Operating income**

Onder baten van bedrijven worden verantwoord de ten gunste van het boekjaar ontvangen sponsor inkomsten alsmede donaties door bedrijven.

### **Income donations**

Donations are recorded as income in the statement of income and expenditure in the year in which the donations incurred by using the valuation principle of inventory. Once the inventory is sold, a possible difference between the sales price and inventory value is recorded as income donations.

### **Spent on objectives**

The expenses in the context of the objectives are accounted for in the year that they are committed, or in the year that scope of obligation can be reliable determined.

### **Financial income and expenses**

#### ***Interest income and interest expenses***

Financial income and expenses comprise interest income and expenses, as well as exchange rate differences and other related income and expenses.

4 NOTES TO THE BALANCE SHEET AS AT JUNE 30, 2024

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	Furniture and fixtures
	\$
<i>Carrying amount as of July 1, 2023</i>	
Purchase price	4,118
Cumulative depreciation and impairment	-892
	<u>3,226</u>
<i>Movement</i>	
Depreciation	<u>-412</u>
<i>Carrying amount as of June 30, 2024</i>	
Purchase price	4,118
Cumulative depreciation and impairment	-1,304
Carrying amount as of June 30, 2024	<u>2,814</u>
<i>Depreciation rates</i>	%
Furniture and fixtures	10

CURRENT ASSETS

	6/30/2024	6/30/2023
	\$	\$
<b>2. Inventories</b>		
Finished goods and goods for resale	<u>661,023</u>	<u>376,282</u>

**3. Receivables, prepayments and accrued income**

	<u>6/30/2024</u>	<u>6/30/2023</u>
	\$	\$
<b>Taxes and social security contributions</b>		
Value added tax	-	774
	<u>          </u>	<u>          </u>

**Other receivables, prepayments and accrued income**

Bonus	1,110	267
Accounts receivable Micro-enterprise	163,703	1,350
Accountants receivable Partner freight	1,025	-
Prepaid general expenses	9,419	-
Accounts receivable Contribution	7,164	7,320
	<u>182,421</u>	<u>8,937</u>

**4. Cash and cash equivalents**

ING Bank N.V.	<u>5,622</u>	<u>2,873</u>
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**RESERVES AND FUND LIABILITIES**

**5. Reserves and Funds**

	2023/2024	2022/2023
	\$	\$
<b>General reserve</b>		
Stand per July 1	-194,692	-23,262
Withdrawal	-628,998	-
Result	907,434	-171,430
Stand per June 30	83,744	-194,692
 <b>Continuity reserve</b>		
Stand per July 1	-	-
Movement	628,998	-
Carrying amount as of June 30	628,998	-
 <b>6. Current liabilities</b>		
	6/30/2024	6/30/2023
	\$	\$
<b>Due to group companies</b>		
Current account Soles4Souls Inc.	104,780	582,963
 <b>Taxes and social security contributions</b>		
Corporate income tax	4,125	-
 <b>Other liabilities, accruals and deferred income</b>		
Audit costs	3,821	3,821
Accrued S4S Europe	3,653	-
Accrued other	22,759	-
	30,233	3,821

**5 NOTES INCOME AND EXPENDITURE 2023/2024**

	Balance 2023/2024	Balance 2022/2023
	\$	\$
<b>7. Employee expenses</b>		
Wages and salaries	193,590	102,767
Social security charges	34,312	10,246
Pension and early retirement expenses	11,750	1,655
Allocated wages and salaries	188,635	200,183
Other labour costs	2,066	-
	430,353	314,851
<b>Staff</b>		
At the company during 2023/2024, on average 3 employees (in fte's) were employed (2022/2023: 2).		
<b>Amortization and depreciation</b>		
<i>Depreciation of tangible fixed assets</i>		
Furniture and fixtures	412	412
	412	412
<b>8. Other operating expenses</b>		
Operating expenses	70,015	102,437
Selling and distribution expenses	-	775
General expenses	20,489	36,631
	90,504	139,843
<i>Operating expenses</i>		
RDC warehouse	524	32,131
RDC training/travel	23,264	6,522
RDC supplies	1,076	889
RDC other costs	-	8,720
RDC shipping/freight	590	303
RDC contracts	44,561	53,872
	70,015	102,437
<i>Sales and marketing expenses</i>		
Publicity and advertisement	-	775
	-	775
<i>General expenses</i>		
Audit costs	4,038	4,780
Accounting costs	16,123	19,925
Legal charges	328	11,926
	20,489	36,631

**9. Financial income and expenses**

	Balance 2023/2024	Balance 2022/2023
<i>Interest and similar expenses</i>	\$	\$
Bank costs	-3,248	-1,697

**Signing board of directors for approval**

Amsterdam, October 20, 2025

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E.C. Teaster III, Chairman

T.P. McCrary

N.S. Youssef, Secretary

P.J.H.M. Erren

J.M. Njoroge