

# Solidaridad

## ANNUAL REPORT 2023

Stichting Solidaridad Network



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MvD| 19-02-2025

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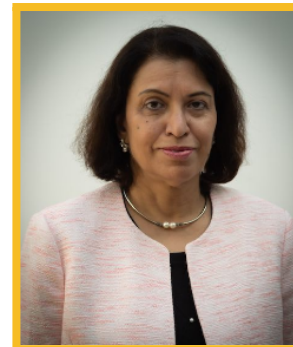
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## MESSAGE FROM THE SUPERVISORY BOARD

I'm delighted to introduce the financial statements of Stichting Solidaridad Network. Whether you're a donor, a farmer representative, a government official, a corporate partner, a scholar, or an interested reader, your contributions have been indispensable to Solidaridad's achievements throughout 2023.



Above all, I appreciate the tireless efforts of Solidaridad's 1230 dedicated staff members worldwide. They have consistently gone above and beyond, often traversing great distances, to provide farmers and workers with crucial access to training, information, finance, and inputs. Solidaridad has always prioritized reaching out to the most remote and underserved farmers, despite the significant challenges this entails. Our staff members frequently sacrifice weeks away from their families to deliver much-needed assistance to communities where support is scarce.

It is this unwavering dedication that underpins the outcomes outlined in this report. The impact of Solidaridad's work resonates vividly through the personal stories of farmers and is quantified through comprehensive data on inputs, outputs, and overall impact.

On behalf of the International Supervisory Board, I extend heartfelt gratitude to Solidaridad's staff, partners, and donors for their steadfast support to the mission of fostering a more inclusive economy and promoting thriving livelihoods. It is a cause of profound significance, and your ongoing support is invaluable as we continue to champion it together.

Best regards,

Shahamin S. Zaman  
Chair International Supervisory Board

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## MESSAGE FROM THE ED

2023 has seen the rise of geopolitical tensions that continue to disrupt global supply chains and exacerbate existing social and environmental challenges. More than ever, we need to support producers to mitigate the impact of these challenges, work with governments on policy improvements and the creation of enabling environments, and collaborate with industry partners to advance sustainability in their supply chains.



Our partnerships and collaborations with like-minded organisations, corporates, governments, and other stakeholders have become increasingly important in driving systemic change towards sustainable supply chains. Through our engagement in multi-stakeholder initiatives we managed to increase our influence to shape industry standards and practices. While there is growing momentum towards sustainability among consumers, businesses, and policymakers, we must navigate complex economic, regulatory and social dynamics to drive change in global supply chains. The past year's performance has demonstrated our ability to be a capable contributor to the progress the world needs.

All of these endeavours bring tangible results for the farmers and workers who have often been on the losing end of value distribution in supply chains. Solidaridad recognizes the value of a holistic approach, and we work in an optimized way on these interventions simultaneously, while addressing farmers' specific needs depending on their country, commodity and circumstances.

Being a network organization has been essential for achieving these results. By sharing knowledge, tools, systems and experiences, we improve our solutions, expand our scale and increase our effectiveness. Our commitment to fostering a culture of collaboration and innovation was visible in the vibrant celebration of Yellow Week. This initiative brings Solidaridad staff from all around the Solidaridad network together in a virtual setting to share experiences and learn from one another, driving meaningful engagement and discourse within our global community.

All of these impressive results of Solidaridad on the ground and its unique approach of working as a network were the primary reasons I took on the role of Executive Director this year. I would like to thank and congratulate my predecessor Jeroen Douglas on the results achieved in 2023, and I am looking forward to working together with all of you to consolidate and build upon these results in 2024!

Andre de Freitas

Executive Director Solidaridad Network

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## OUR MISSION, VISION AND OBJECTIVES

Solidaridad is an international civil society organization with over 50 years of experience in developing solutions to make communities more resilient — from our early roots supporting repressed communities in Latin America to our current work fostering more sustainable supply chains. We currently work in over 40 countries, on five continents, through eight independently supervised regional offices.

International cooperation with people throughout the value chain is at the heart of our work, with a focus on small scale and family farmers, and workers on farms, in mines, and in supply chains and their communities.

We envision a world in which the economy works for all: where all we produce, and all we consume, can sustain us while respecting the planet, each other and the generations to come.

We enable farmers and workers to earn a living income, shape their own future, and produce in balance with nature by working throughout the whole supply chain to make sustainability the norm.

We're reclaiming sustainability in its essence: power to the people (inclusivity), respect for the planet (producing in balance with nature) and a fair share for everyone in the chain (prosperity). That's the true meaning of sustainability for Solidaridad. Supply chains cannot be sustainable if we don't take all these aspects into account.

Although we work in almost 50 countries with 8 independently supervised regional officers, we share a commitment to a common set of values:

- Solidarity: we are faithful to the name of our organization in a deeply rooted solidarity with smallholder farmers, workers, and producers
- Solutions: we are pragmatic problems solvers
- Impact: we are impact-driven and fully committed to achieve change that matters
- Interdependence: we are dependent on each other and on the planet, so we need to collaborate
- Innovation: we believe continuous learning and development adds value and leads to positive change
- Inclusivity: we believe everyone has the potential to contribute and the right to be heard
- Integrity: we adhere to the highest ethical principles and professional standards

The Solidaridad network structure was built on the idea that meaningful change grows from within communities, and a collaborative work environment based on the exchange and debate of different ideas and perspectives will create the most innovative solutions. Diversity and representation of many different perspectives and identities is not just nice to have; it is essential to the mission of reclaiming sustainability.

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Inclusion is prioritized at all levels of work within Solidaridad; from programming that promotes gender equality in historically male-dominated sectors such as gold or palm oil, to leadership within our Senior and Board level positions. A strong integrity structure supports open and honest dialogue and secure pathways for reporting and addressing issues.

All this makes up the core of what Solidaridad stands for: equity. Creating a more fair and equitable supply chain starts from our working culture and permeates through our programmes, communications and partnerships.

## OUR ORGANISATION

This management report provides information on the global level, it covers all entities within our network. The financial statements cover one entity; the coordinating entity "Stichting Solidaridad Network" which coordinates and provides services to all the other Solidaridad entities.

Solidaridad is an international network organization with offices across the globe. The interconnected network places a focus on decentralized responsibility and implementation by regional teams. Local knowledge, experience and vision are guiding principles. The network's connectedness is fostered by a global vision, strategy, programming, communication and internal quality-control systems. Each part of the network contributes to the whole.

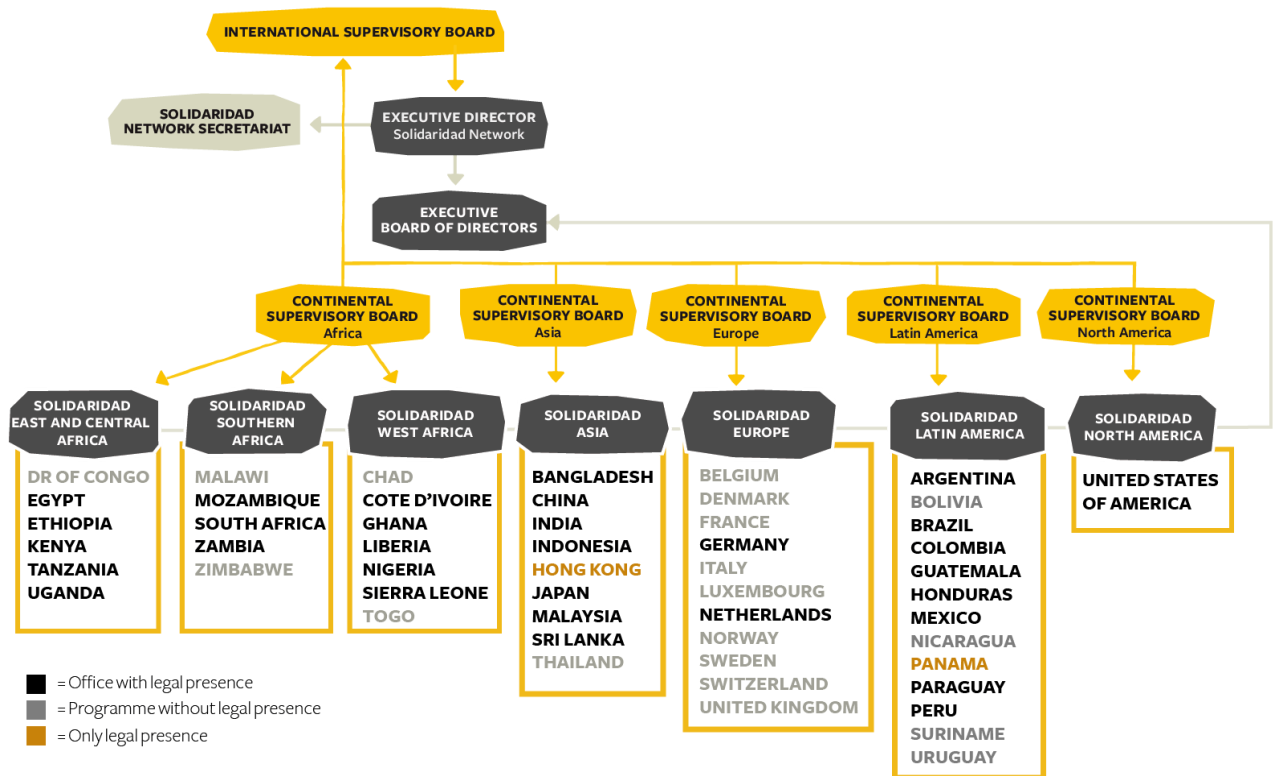
The premise of the structure is that it promotes capacity building: strengthening Solidaridad teams in the region, enabling them to take control of supervisory tasks and to manage programming themselves. The regional Solidaridad teams cooperate with their own partners on the planning, implementation, communication and evaluation of programmes, and on reporting their results.

The Solidaridad Network consists of seven regional expertise centres located in Asia, Southern Africa, East and Central Africa, West Africa, Latin America, North America, and Europe - each with their own specific expertise and focus. Solidaridad's programmes are developed and implemented by the regional centres, each of which is locally registered and has a local legal structure, and which:

- are connected to the supervisory bodies of Solidaridad Network and the Executive Board, thereby contributing to the network strategy;
- manage interaction between the regional centre and the country offices;
- are responsible for the development, implementation, reporting and evaluation of the programmes in their respective regions, taking the network's quality standards and systems into account;
- are responsible for regional fundraising, thereby contributing to the network budget;
- employ local staff; and
- are responsible for appropriate financial management and supervision, including the auditing of financial statements by an independent auditor.

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The overview above shows the seven management regions and the countries in which Solidaridad works. The yellow boxes represent the five Continental Supervisory Boards plus the International Supervisory Board. Stichting Solidaridad Network is the light grey entity, represented by the Executive Director of Solidaridad. Until November 2023, Jeroen Douglas was leading the Executive Board of Directors, consisting of the Managing Directors of the eight regions. He was followed up by Andre de Freitas on 15 March 2024.

## SUPERVISION

The seven regional expertise centres are supervised by five Continental Supervisory Boards (CSBs). The CSBs consist of leaders in business, civil society organizations or academic institutions from each continent: North America, Latin America, Africa, Asia and Europe. Each of these continental organizations is connected with Solidaridad Network Foundation in Utrecht, the Netherlands, through the delegation of supervisory board members to the International Supervisory Board (ISB), thus creating a global network. The International Supervisory Board (ISB) is the highest level of international oversight within Solidaridad Network. The ISB monitors policies, the quality of programmes, financial control of the Solidaridad Network and the performance of the Executive Board of Directors (EBoD).

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The members of the ISB are:

Name	Country	Position	Start of term	End of term	Representing
Herman Kasekende	Zambia	Member	30 January 2024	29 January 2028	CSB Africa
Shamanin Zaman	Bangladesh	Chair	15 December 2022	PM	CSB Asia
		Member	21 June 2021	14 December 2022	
		Member	19 January 2017	20 June 2021	
Bernhard Roehrs	Guatemala	Member	11 February 2022	11 February 2026	CSB Latin America
Kannan Pashupathy	United States	Member	10 November 2021	9 November 2025	CSB North America
			5 June 2019	9 November 2021	
			5 June 2014	4 June 2018	
Jan Karel Mak	The Netherlands	Member	1 January 2021	31 December 2024	CSB Europe
			10 December 2018	31 December 2022	

The members of the CSB Asia are:

Name	Country	Position
Shamanin Zaman	Bangladesh	Chair
Mumunusamy Subbramaniam (Mr. Subbu)	India	Member
Mahesh Haribhai Mehta	India	Member
Sato Kan Hiroshi	Japan	Member
Dr. Liang Xiaohui	China	Member
Ms. Delima Hasri Azahari Darmawan	Indonesia	Member

The members of the CSB Africa are:

Name	Country	Position
Herman Kasekende	Zambia	Chair
Susan Waceke Watiru	Kenya	Member
Henry Horomani	Zimbabwe	Member
Olivia Agbenyega	Ghana	Member
Gilles Atayi	Ivory Coast	Member

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The members of the CSB Latin America are:

<b>Name</b>	<b>Country</b>	<b>Position</b>
Bernardo Roehrs	Guatemala	Chair
Roberto Ugaz	Peru	Member
Carolina da Costa	Brazil	Member

The members of the CSB North America are:

<b>Name</b>	<b>Country</b>	<b>Position</b>
Kanan Pashupatty	United States	Chair
Chris Wolz	United States	Member
Deborah Barry	Mexico	Member

The members of the CSB Europe are:

<b>Name</b>	<b>Country</b>	<b>Position</b>
Jan Karel Mak	The Netherlands	Chair
Juan Carlos Alva Nieto	The Netherlands/Mexico	Member
Katrien Termeer	The Netherlands	Member
Claire Gentil	The Netherlands/France	Member
Martin Staehle	Germany	Member
Marion Kappeyne van de Coppello	The Netherlands	Member
Kajsa Johansson	Sweden	Member

## **Management**

The Executive Board of Directors (EBoD) is the main policy-making body, ensuring coherence between international commodity strategies and regional programmes. The EBoD is also responsible for the overall implementation of the international policy and commodity strategy. It consists of the managing directors from each regional expertise centre. The chair of the EBoD is the Executive Director of Solidaridad Network, Jeroen Douglas.

The members of the Solidaridad Executive Board of Directors in 2022 are: Shatadru Chattopadhyay (Solidaridad Asia), Isaac Gyamfi (Solidaridad West Africa), Rachel Wanyoike (Solidaridad East and Central Africa and Solidaridad Southern Africa), Gonzalo la Cruz (Solidaridad Latin America), Michaelyn Baur (Solidaridad North America) and Heske Verburg (Solidaridad Europe).

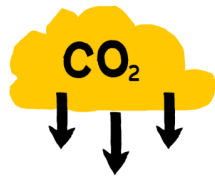
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## OUR ACTIVITIES IN 2023

[To update on the basis of the [text for the website](#)]

### ACHIEVEMENTS 2023



**97,000**  
tonne reduction of carbon dioxide emissions (CO<sub>2</sub>e/year)



**217**  
corporates supported to test solutions with Solidaridad



**1.9 million**  
hectares under sustainable management



**490**  
service providers with increased turnover



**75,000**  
workers and miners under improved working conditions



**12,000**  
hectares with improved soil organic matter



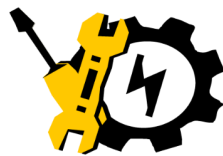
**19**  
new or improved mandatory sustainability frameworks



**643,000**  
farmers with increased income



**302**  
processors have reduced pollution



**253,000**  
farmers and miners obtain new or improved services from service providers supported by Solidaridad



**378**  
CSOs trained or supported in decision making and dialogue



**770,000**  
farmers with improved yields (kg/ha)

At Solidaridad, we are convinced that good data and the good use of it is a key ingredient for project and organizational success. To that end, we have strengthened our internal capacity on data analysis and improved several tools, such as dashboards, which allow us to visualise data in a more attractive and simple manner. This facilitates the use of data so that decisions and adaptations can be made quickly. As a result of the operationalization of the data model across the organization, we have seen a tremendous improvement in the quality and relevance of data collected. The implementation of the data model has also helped to standardize methodologies and definitions while shifting mindsets towards more outcome monitoring and reporting. New qualitative skills and tools have allowed us to collect more qualitative data that has helped to contextualize making our data more meaningful.

Good evaluation provides evidence for learning through collecting, sharing, analyzing and interpreting information on progress while also providing reliable information to the donor on achievements and decisions made (accountability).

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As we initiated two large global programmes, Pathways to Prosperity and Acting Now, we conducted baseline studies for all 27 projects to assess the initial situation of producers which allowed us to better understand root causes and fine tune our interventions. These baseline studies will also allow us to assess the impact of our work through before and after comparison studies. Studies were conducted with Ethiopian dairy farmers, for leather tanneries in Ethiopia, for shea farmers in Ghana and cocoa farmers in Nigeria.

The mid-term review of the Reclaim Sustainability programme (2021-2025), a 5-year consortium between Solidaridad, Fairfood, Business Watch Indonesia and TrustAfrica, carried out by an external party allowed us and our consortium partners to reflect on our shared progress and collaboration and identify areas for improvement. One of our key learnings was that for sustainability measures to be truly effective, local governments need to be closely involved. We are encouraged by the findings and have started addressing some of the opportunities for improvement. The consortium continues to engage in adaptive programming to ensure positive change that results in long-term sustainable impact for the programme's target groups and communities.

In Ethiopia, we conducted the end-of-project evaluation for the European Union-funded Bottom Up! Project, which had the goal of creating a sustainable cotton and textile value chain in Ethiopia. Among the key findings were that ginneries complied with Cotton Made in Africa (CmiA) and Better Cotton Initiative (BCI) standards and sector associations promoted sustainable environmental technologies. Despite the barriers faced during implementation due to the force majeure events related to the COVID-19 pandemic and the war in Tigray, the project was relevant to the context of the needs and aspirations of the textile industry in Ethiopia.

Another endline evaluation was conducted for the project in Zambia : Towards sustainable livelihoods for women and girls through poultry production. The key findings were that enabling farmers to access capital inputs was a major success of the project especially for women who often do not have any access and control over money within the household.

The end evaluation on the Dairy Catalyst For Investment And Climate Dairy Farming Project, Tanga Tanzania found the project to have delivered affordable dairy production technologies and market linkages to producers. In addition, the evaluation has confirmed an increased number of dairy farming households with better access to affordable and quality dairy services. Conclusively, the evaluation found that the project results will be sustained. The project established business relationships to enable dairy farmers to leverage dairy financing.

And this is just the highest level look at the work we completed in 2023. On our website [https://www.solidaridadnetwork.org/annual\\_report/global-2023/](https://www.solidaridadnetwork.org/annual_report/global-2023/) a further read is provided of our activities and impact per region.

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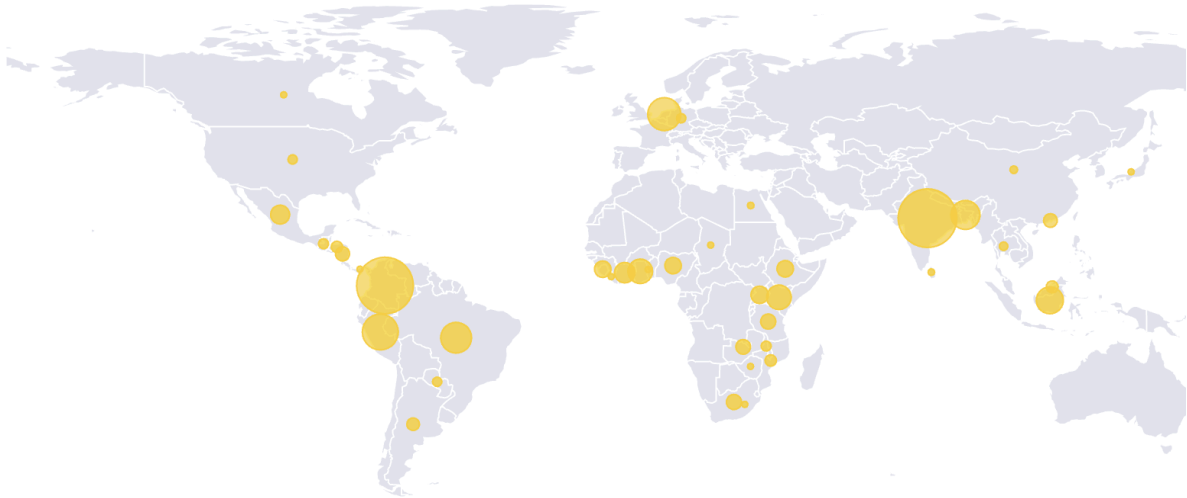
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# OUR PEOPLE IN 2023

As of 31 December 2023 Solidaridad counts with 1,230 staff members. This is in line with our estimated growth projections set at the beginning of our Multi Annual Strategic Planning cycle 2020-2025. We strive for gender balance in our organization with 50% of women in management positions. In 2023 the percentage of women in management was 55%. Our Board of Directors has a 50/50 gender ratio.

See below an overview of our staff and how it is spread across our countries of operations:

# Staff per country



In 2023 our former Executive Director left Solidaridad and we have successfully developed and implemented a recruitment process for a new Executive Director that allowed all talents to apply for this position. Our recruitment policy safeguarded a fair, inclusive and transparent recruitment process. For example, an internal selection committee was appointed with a balanced distribution of gender, geographies, disciplines, and aligned with defined selection criteria.

In May 2023, our second staff survey was launched focusing on Integrity and Inclusivity. Staff from all regions were actively encouraged to participate, which resulted in a 72% response rate. A significant increase compared to 2022: 59%. According to our staff, Solidaridad is an inclusive organisation, where people are treated equally. One of the key improvements is that we need to better communicate about our whistleblower protocol. Particularly on when and how to use this.

To prevent financial misconduct, misuse of power or interpersonal misconduct we have a global integrity, inclusivity & diversity framework and system in place. Each region has a dedicated Integrity team with integrity advisors and persons of trust. In 2023, these teams continued to implement their regional action



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plans and training of staff. In April 2023, the Board of Directors completed an ethical leadership training as an important step to deepen the values of both integrity and inclusivity of Solidaridad. This will be followed up in each region of Solidaridad in 2024.

The Solidaridad Code of Conduct and the Whistleblower Protocol form the heart of the integrity system to prevent, monitor, report and account for integrity. Our in-place procedures ensure a satisfactory response to a complaint and guide relevant investigations into reports. During 2023, these procedures have been tested internally and the procedures have proven robust. Solidaridad has zero tolerance for not acting. In the year 2023, five cases were reported: one in Asia, four in the African continent. 100% of the cases were handled in accordance with Solidaridad's internal code of conduct and organizational policies.

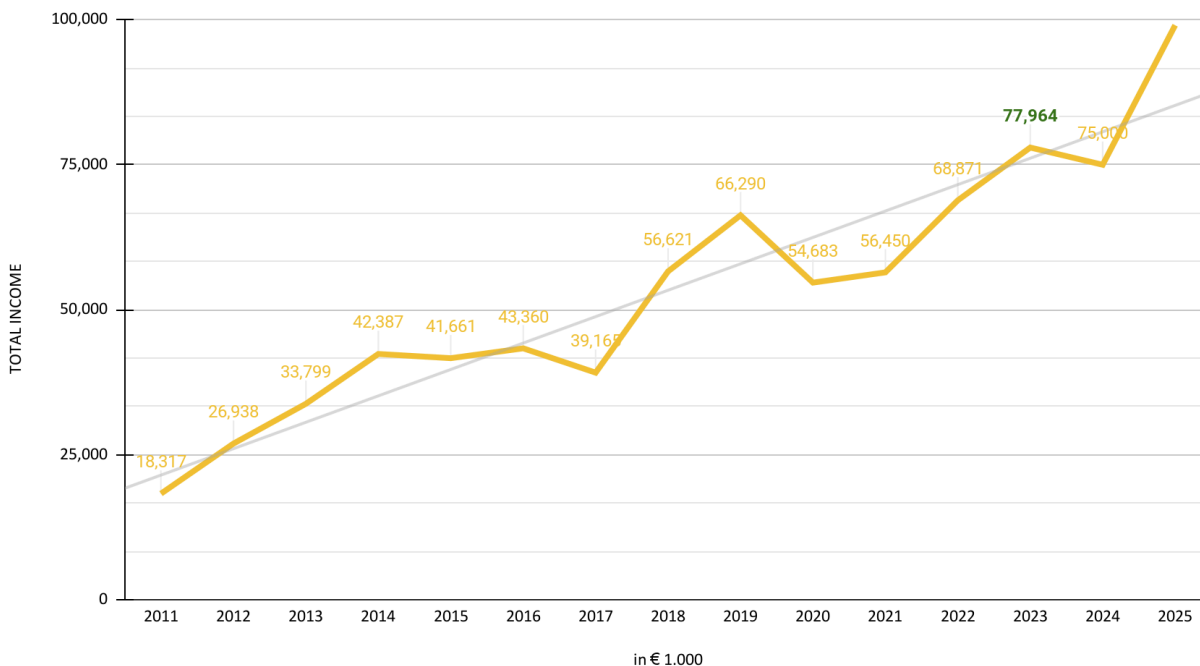
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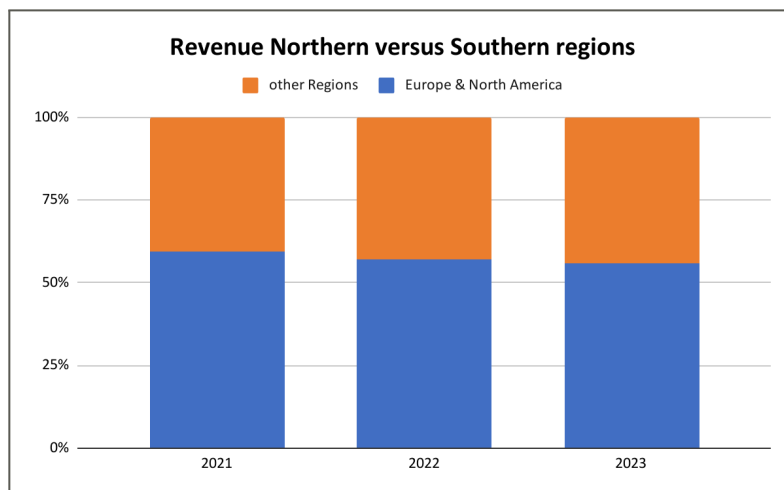
## OUR FINANCES IN 2023

The revenue of Solidaridad Network Foundation is based on a percentage of the total revenue of Solidaridad Network. The revenue of Solidaridad Network increased with € 9.1 million from € 68.9 million in 2022 to € 78 million in 2023. The revenue was € 8 million higher than the secured budget of € 70 million. The higher revenue is in line with Solidaridad’s vision of growth in order to achieve more impact.

**Aggregated income Solidaridad Network 2011-2025**



From the total revenue of € 78 million in 2023, € 43.5 million (56%) was generated by Solidaridad Europe and Solidaridad North America (2022: 57%). Increasing Solidaridad’s revenue is a global team effort whereby all regions work together in order to deliver the best possible impact for our donors and above all, the farmers and people that are benefiting from Solidaridad’s programs.

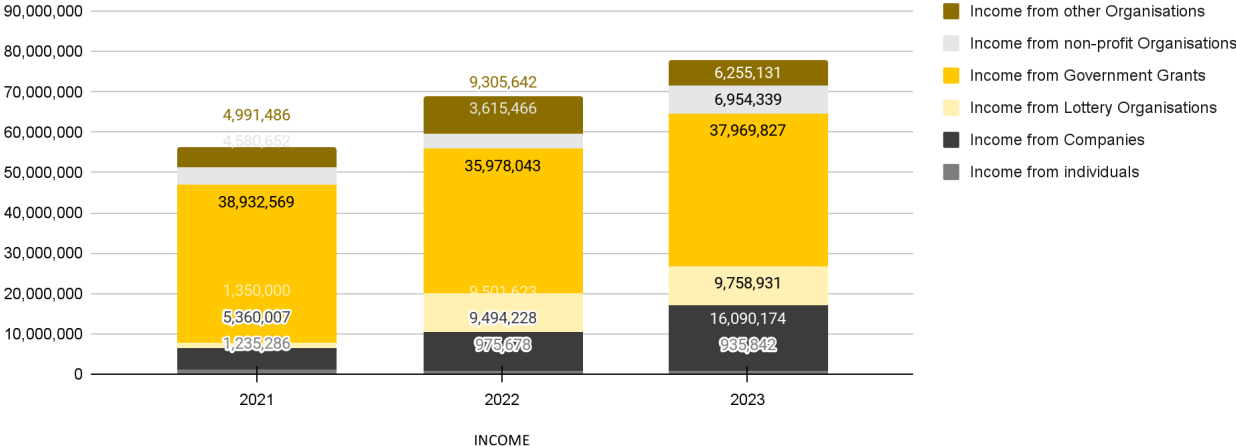


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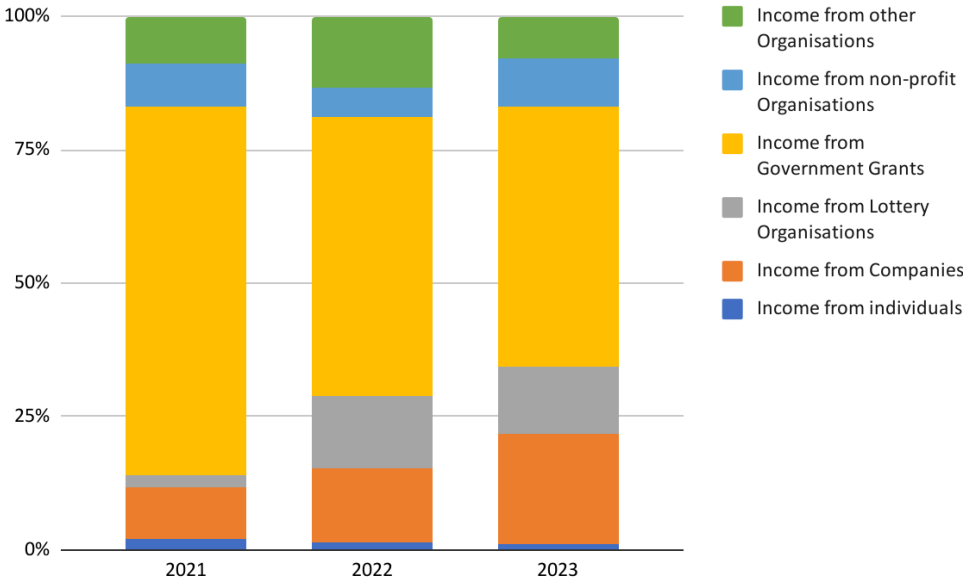


The global revenue came from the following sources:



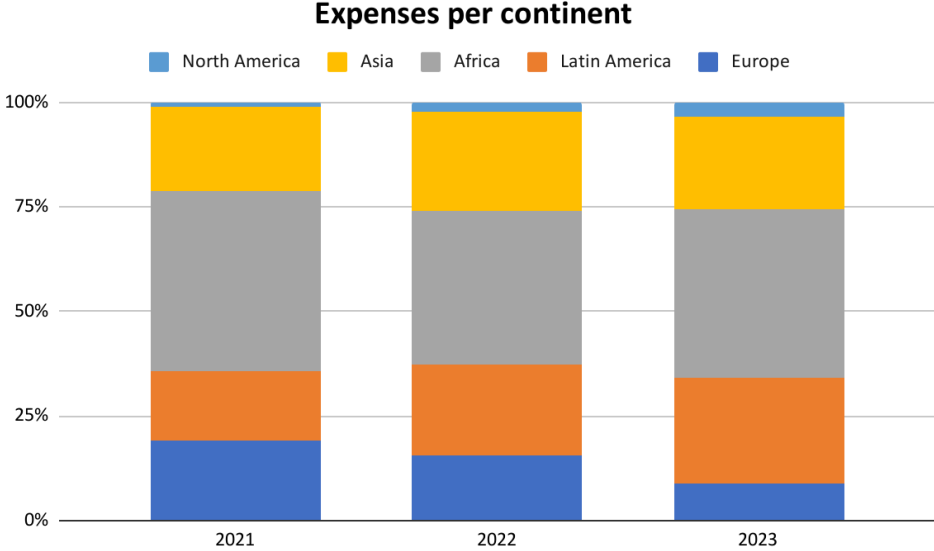
(figures in €)

Compared to 2022, Solidaridad was able to generate more income from companies. The Southern regions especially were able to include the revenue from companies in their programs. The total revenue from governments, still the biggest contributor, decreased in relative terms from 69% in 2021 to 52% in 2022 and 49% in 2023.



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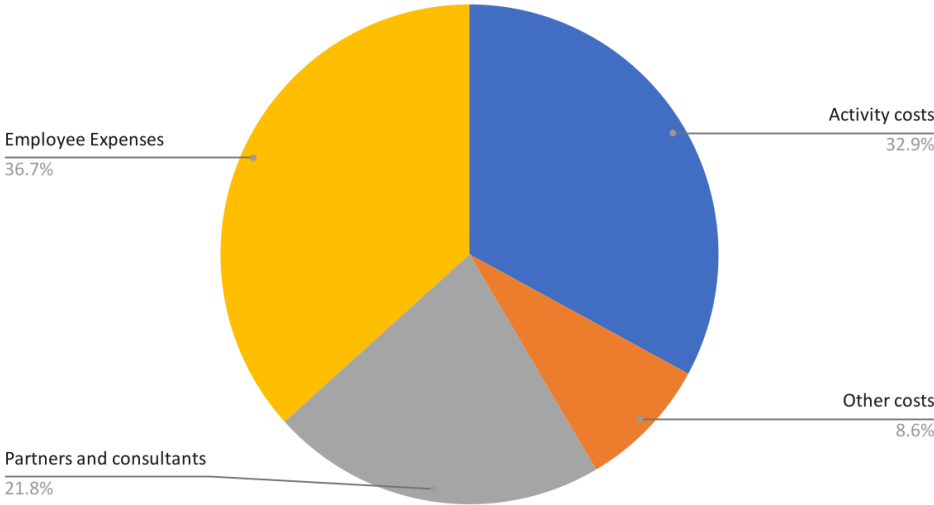
**Expenditure in 2023**



The above graph shows that the continent of Africa contributes relatively the most of our funds on our programs (41%), while the contribution of Latin America has grown in recent years to 25% in 2023. The relative contribution to programs of Solidaridad Europe has decreased. This is in line with Solidaridad’s objective whereby the Northern regions generate funds for programs that are executed in Southern regions.

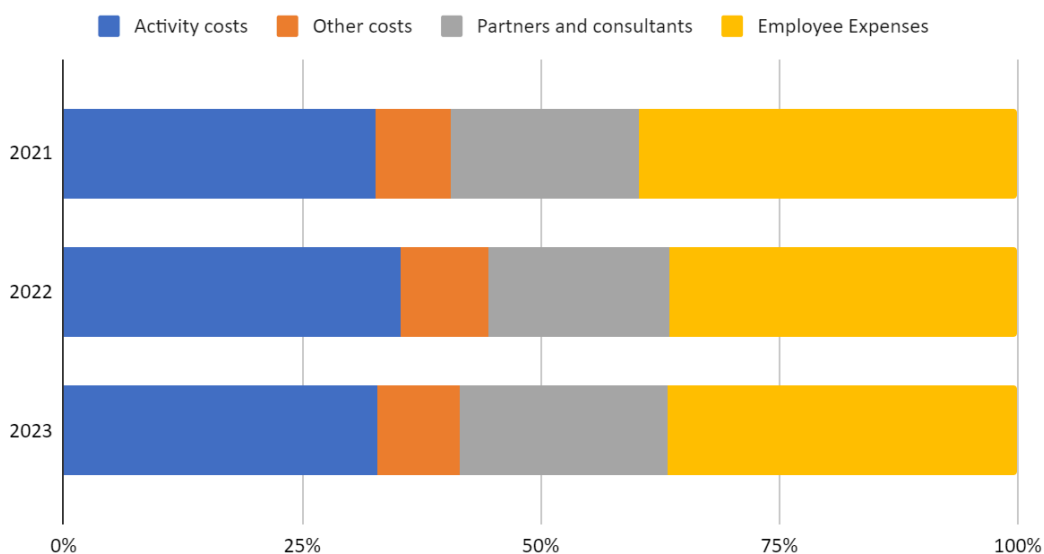
Solidaridad runs all of its programs and projects with their own staff although in some major programs, partners are contributing to achieving our objectives in the field. Activity costs are all costs related to the execution of our programs and projects in the field. Other costs are costs of a more operational nature related to running our offices.

**Division of costs in categories in 2023**



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### Costs per category per year



## RISKS AND UNCERTAINTIES

Solidaridad works in a complex and very dynamic environment, where our activities result in exposure to risks. In this environment, we remain aware of both ever-changing opportunities for creating value and the challenges that will occur in pursuit of that value. Solidaridad is not expected to just realize its strategic plan objectives, but is expected to work with greater accountability, transparency and efficiency.

In 2022, Solidaridad has updated and strengthened its global internal control framework and has further developed its financial monitoring framework. Our aim in the coming years is to adopt an explicit risk management policy for handling and reducing the identified risks and developing mitigation measures (policies, procedures and control checks). The focus is to manage risks appropriately rather than to eliminate them, and to give reasonable rather than absolute assurance.

### Overview of our main risks

Risks	Influence on results or activities	Mitigating measures
Changes in government or government's interest/policies.	Activities can be put on hold until the new government is in place and is as interested in our programmes.	<ul style="list-style-type: none"> <li>- Work closely with government authorities at different levels.</li> <li>- Engage with new authorities after elections.</li> </ul>

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National and/or regional-level political crises (Honduras, Nicaragua, Eastern Africa)	Reduced participation of essential stakeholders, cancelling of events, reduced access to communities.	<ul style="list-style-type: none"> <li>- Focus on strengthening partner relationships.</li> <li>- Maintain neutrality.</li> </ul>
Fluctuating market conditions (low international commodity prices) create instability and an undesirable investment climate.	International prices may affect economic income and imbalances in crop profitability.	<ul style="list-style-type: none"> <li>- Strengthen messaging and proof of business case to engage in continuous improvement processes guided by voluntary standards.</li> <li>- Promote diversification</li> </ul>
Reputational damage resulting from misconduct of grassroots partner organisations.	Budget losses or decreased activities	<ul style="list-style-type: none"> <li>- Code of Good Conduct and Practices endorsed by all our partner organisations.</li> <li>- Solidaridad has internal guidelines for non disclosure agreements (NDAs) and memoranda of understanding (MoUs) with companies.</li> </ul>
Grassroot civic partner organizations may phase limited capacity to apply an effective or extensive internal control system and risk management framework.	Budget losses or decreased activities	<ul style="list-style-type: none"> <li>- Solidaridad aims to enhance preventive activities, and monitor the different improvement initiatives on internal control, especially with respect to the pace of implementation and strengthening of the first three lines of defences.</li> <li>- External audit; policies, protocols and guidance ("fourth line of defense") .</li> <li>- Further development of our strategic partnership building framework.</li> </ul>
Network Organization - Decentralized structure	Disassociation or disconnection	<ul style="list-style-type: none"> <li>- Circular and interdependent management and governance network structure.</li> <li>- Close cooperation, strong team ('we') culture</li> </ul>
Limited IT infrastructure for successful quality management	Poor data does not inform project progress and impact of our work	<ul style="list-style-type: none"> <li>- Strong Finance and PMEL teams in all the Network support programme monitoring at the regional level.</li> <li>- Project Cycle Management procedure is widely used across the Network, and with project partners for standardized procedures on monitoring and evaluation</li> </ul>
Credit fund risks- Cash and cash equivalent at financial institutions	Budget losses or decreased activities	<ul style="list-style-type: none"> <li>- Cash balances, whenever possible, are held with banks that have a satisfactory credit risk rating. (equivalent or above A-).</li> <li>- Main deposits are held in hard currencies.</li> </ul>



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## INTERNAL CONTROL

One way of managing risks and uncertainties is through the application of appropriate internal controls. Solidaridad Network commits to the principles of fairness and transparency for establishing an organizational culture that thrives on excellence, next to a robust organizational control and integrity strategy. All the independent financial statements of all the Network's organisations are audited externally, and outcomes are discussed with the management and the International or Continental Supervisory Board. As a learning organization, Solidaridad strives for continuous improvement and indeed some Solidaridad organisations are even certified to ISO 9001:2015. If something is not to anybody's satisfaction, Solidaridad would like to be informed about it. A complaints procedure is therefore part of our quality policy. The procedure can be requested by anybody by email or phone. And besides, we also refer to it in our contracts with all our employees and partners. The Solidaridad Code of Good Conduct and Practices is endorsed by almost everyone that has a contractual relationship with Solidaridad Network. There is also a protocol for inappropriate behavior, which includes procedures preventing undesirable behavior and procedures for involving internal or external counselors and the complaints procedure for employees. Solidaridad has policies in place throughout the network regarding Related Party Transactions and Ancillary Activities to increase its transparency. There is a whistleblower procedure in place as and for staff and stakeholders that work with us there is a Solidaridad Code of Good Conduct.

### Enhancing transparency and accountability

In coming years, we aim to safeguard the implementation of our multi annual strategic plan (MASP III) by taking the steps below :

- Further define our global policy architecture, and build and implement effective internal control systems and strengthen our "second line of defence" . Safeguard our assets and funds, while ensuring that these assets and funds are used in furtherance of our strategic objectives.
- Develop a comprehensive risk management framework; identify our risks network- wide and manage these risks to enhance and sustain performance.
- Align risk management and control with our mandates and objectives, and their underlying functions and activities throughout the Network. Embed risk management in our decision-making process.
- Offer continuous support, training and strengthen oversight; provide the Network with a solid internal control framework (set of standards, processes, and structures).
- Encourage high levels of integrity in the workplace, while at the same time devise strategies to identify incidences of corruption or fraud and the corresponding disciplinary measures.

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# FINANCIAL STATEMENTS 2023 STICHTING SOLIDARIDAD NETWORK

## BALANCE SHEET ON 31 DECEMBER 2023

(in Euros after allocation of surpluses)

	31-12-2023	31-12-2022
<b>ASSETS</b>		
Tangible fixed assets	18,572	30,556
Financial fixed assets	563,165	554,000
	<u>581,737</u>	<u>584,556</u>
Receivables, prepayments and accrued income	1,252,314	1,233,858
Cash and bank balances	813,701	1,081,137
	<u>2,066,016</u>	<u>2,314,995</u>
<b>Total assets</b>	<b><u>2,647,753</u></b>	<b><u>2,899,551</u></b>
<b>LIABILITIES</b>		
Solidaridad General reserve	1,849,368	2,187,518
Solidaridad Innovation reserve	0	89,380
	<u>1,849,368</u>	<u>2,276,898</u>
Short-term debts	798,385	622,653
	<u>798,385</u>	<u>622,653</u>
<b>Total liabilities</b>	<b><u>2,647,753</u></b>	<b><u>2,899,551</u></b>

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## INCOME AND EXPENDITURE STATEMENT 2023

(in Euros)

	<b>2023 Actual</b>	<b>2023 Budget</b>	<b>2022 Actual</b>
<b>INCOME</b>			
Income Solidaridad entities (related organisations)	2,380,220	2,344,000	2,341,624
Other Income	0	0	903
<b>Total income</b>	<b>2,380,220</b>	<b>2,344,000</b>	<b>2,342,527</b>
<b>EXPENDITURE</b>			
Activity costs	121,253	177,800	180,060
Partners and consultants	277,759	235,000	267,210
Solidaridad staff costs	1,591,406	1,581,000	1,602,369
Other costs	576,177	545,200	219,217
Expenditure Solidaridad entities (related organisations)	183,797	350,000	424,184
<b>Total expenditure</b>	<b>2,750,392</b>	<b>2,889,000</b>	<b>2,693,040</b>
<b>Result excluding Financial Income &amp; Expenditure</b>	<b>-370,172</b>	<b>-545,000</b>	<b>-350,513</b>
<b>Result on Financial Income &amp; Expenditure</b>	<b>-57,357</b>	<b>-5,000</b>	<b>-3,915</b>
<b>RESULT</b>	<b>-427,529</b>	<b>-550,000</b>	<b>-354,428</b>
<b>Appropriation of the result</b>			
Solidaridad General reserve	-338,149	-460,620	-37,808
Solidaridad Innovation reserve	-89,380	-89,380	-316,620
<b>Result</b>	<b>-427,529</b>	<b>-550,000</b>	<b>-354,428</b>

### Appropriation of result

In anticipation of the approval of the financial report by the International Supervisory Board, the net result of - € 427,529 has been taken from the reserves.

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## CASH FLOW STATEMENT FOR 2023

(in Euros)

	<b>2023</b>	<b>2022</b>
<b>Cash flow from operational activities</b>		
Surplus / (shortage) from the income & expenditure statement	-427,529	-354,428
Non cash transactions	13,287	13,902
Changes in working capital:		
Short-term receivables	-18,457	1,467,231
Short-term payables	175,732	-428,837
	<u>-256,966</u>	<u>697,869</u>
<b>Cash flow from investment activities</b>		
(Des)investments in tangible fixed assets	-1,303	-15,486
Changes in financial fixed assets	-9,165	0
Changes in stocks and shares	0	0
	<u>-10,468</u>	<u>-15,486</u>
<b>Cash flow from financing activities</b>		
Changes in long-term debts	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>Total changes in cash flow</b>	<b><u>-267,435</u></b>	<b><u>682,383</u></b>
<b>Cash and bank balances</b>		
Balance on 1 January	1,081,137	398,756
Balance on 31 December	813,701	1,081,137
<b>Changes in cash and bank balances</b>	<b><u>-267,436</u></b>	<b><u>682,383</u></b>

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## NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been drawn up using the indirect method. The indirect method establishes a clear link between the balance sheet and the income and expenditure statement, while it also helps us understand the sources of cash flow, and disclose the non-cash transactions (such as depreciation).

### Cash flow from operating activities

At the end of 2023, the total cash flow from operating activities decreased by € 814,817, turning from a positive cash flow in 2022, to a negative cash flow from operating activities in 2023 of € 256,966. The changes in working capital were too small to recover the negative result for the year 2023. This is mostly due to the reduction in the short term receivables from 2022 to 2023. The non cash transactions remained unchanged.

### Cash flow from investment activities

The investments in tangible fixed assets were minimal and the cash flow decreased with € 14,183 compared to 2022. A cash flow of € 149,165 was invested in a new loan to Regenagri and in shares of Solidaridad Network India Private Limited.

### Cash and Bank balances

The cash and bank balances at the end of 2023 were € 813,701 a decrease of € 267,436 from the 2022 end year position.

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# GENERAL NOTES TO THE ACCOUNTS

## Objective of the organisation and nature of the activities

These accounts represent the single, not consolidated financial statements of Stichting Solidaridad Network. Stichting Solidaridad Network was founded in 2011 and has its legal seat in Utrecht, the Netherlands. The foundation aims to support organisations in developing countries that systematically work to combat poverty. Solidaridad works throughout the whole supply chain to make sustainability the norm and ensure farmers, processors and workers have a living income, influence, and produce in balance with nature.

The Network Secretariat fulfils several functions within Solidaridad's network organisation; it facilitates network policy development and acts as a service centre for the eight regional offices. The Network Secretariat provides support related to Solidaridad's quality assurance systems, as well as maintaining standards for financial management, accountability and control, planning, monitoring and evaluation, ICT infrastructure and human resource management. It is also responsible for global communication, which includes managing the international website, developing communication guidelines, tools and standards for global branding. The Network Secretariat employs the Executive Director who works closely together with the Managing Directors of the regional expertise centres and is the chair of the Executive Board of Directors (EBoD).

## Guidelines for annual reporting

The annual accounts of Stichting Solidaridad Network have been drawn up on the basis of Guideline 640 for Non-Profit Organisations which is part of the accounting standards produced by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

## Foreign currency

Assets and liabilities denominated in foreign currency are translated at the fx rate prevailing on the balance sheet date. Differences between the fx rate on the date of transaction (contract date) and the fx rate on balance sheet date will be taken to the unrealized fx reserve in the balance sheet.

Income and expenditure is reported using the fx rate of the settlement date (date of receipt or payment). The difference between the fx rate on the date of transaction (contract date) and the settlement date will be taken to the realized fx reserve in the Income & Expenditure statement. Any remaining unrealized fx differences relating to the transaction will be removed.

## Related parties

Income, expenditure and receivable or payable balances with related (Solidaridad) entities are disclosed under the relevant headers. Other than transactions with other Solidaridad entities, there were no transactions with related parties.

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## **Consolidation**

The seven management regions of Solidaridad form a close cooperating network organisation. Stichting Solidaridad Network performs services for the other regions from a neutral position and does not exercise ultimate control over the other regions. Therefore, Stichting Solidaridad Network does not prepare consolidated financial statements.

In 2023, a new entity was established: Solidaridad Network B.V. This is currently an empty entity. Given the size of this entity, no consolidated financial statements have been drawn up.

## **ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT**

### **Tangible fixed assets**

The operating assets are valued at purchase price minus annual straight-line depreciation based on the expected useful economic life. Purchases made in the reporting year are depreciated from the date of purchase.

An assessment is made as of the balance sheet date as to whether there are indications that the asset is subject to impairment. If indications exist that the asset item is subject to impairment, the recoverable amount of the asset is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the statement of income and expenses. If it is established that a previously recognized impairment carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognized.

### **Financial fixed assets**

Advance payments and loans are valued at their nominal value, taking into account any risk that they may not be collectable. Participations that do not enable Solidaridad to exercise a significant influence on commercial and financial policies are valued at purchase price after deducting exceptional depreciations where applicable.

Other securities are initially recognized at fair value plus any directly attributable transaction costs. After initial recognition, other securities are measured at fair value. Changes in fair value are recognized in other comprehensive income unless the securities are classified as held for trading. Securities that are not held until maturity should be valued at amortized cost or at fair value, changes in fair value are recognized in profit or loss.

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If there is objective evidence that an impairment loss on other securities has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss.

In the event of an impairment loss, valuation takes place at the realizable value; an impairment is recognized and charged to the income statement.

### **Receivables**

After initial recognition, the receivables are measured at amortised costs on the basis of the effective interest method. Gains and losses are recognised in the income statement through the amortisation process. Receivables are valued taking into account any risk that they may not be collectable.

### **Other assets and liabilities**

All other items in the balance sheet are, after initial recognition, measured at amortised costs on the basis of the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

### **Income and expenditure**

A distinction is made between restricted and unrestricted income. Restricted income is related to grants with conditions associated with it by the donor regarding the duration and/or purpose of the grant. If there are no restrictions, income is unrestricted. Examples of unrestricted income are inheritances, grants with no restriction in any form, income from campaigns or direct mailing and income from interest or investments.

Restricted income from grants is accounted for in the year to which it relates and to the extent that the grant has been utilised by the end of the financial year. (Portions of) received grants that are not utilised are shown on the balance sheet as liabilities (deferred income from grants). Utilised grants that are not yet received are shown on the balance sheet as assets (accrued income from grants).

Unrestricted income is recognised on a cash basis. If the income leads to a positive result for the year, the positive result will be added to the general reserves. Examples are income from campaigns, inheritances or grants with no restriction whatsoever.

Expenditure is determined with due consideration to the accounting policies for valuation as described above and is allocated to the accounting year to which it relates.

Losses are accounted for in the year in which they can be anticipated.

### **Taxation**

The annual accounts have been prepared under the assumption that the activities of Solidaridad Network Foundation are exempt from corporate income tax.

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## NOTES TO THE BALANCE SHEET

### ASSETS

#### Tangible fixed assets

	Total	Buildings	Furniture & Fixtures	Computers	Equipment
<b>As at 1 January 2023</b>					
Cost	279,066	109,947	65,696	94,798	8,625
<u>Depreciation</u>	<u>248,510</u>	<u>109,947</u>	<u>55,546</u>	<u>79,754</u>	<u>3,264</u>
Book value as at 1 January	30,556	0	10,150	15,044	5,361
<b>Changes in book value</b>					
Disposal (costs)	-3,419	0	0	-3,419	0
Disposal (depreciation)	0	0	0	0	0
Additions	4,723	0	0	4,723	0
<u>Depreciation</u>	<u>13,287</u>	<u>0</u>	<u>4,603</u>	<u>6,960</u>	<u>1,725</u>
Movement	18,010	0	4,603	11,682	1,725
<b>As at 31 december 2023</b>					
Cost	280,370	109,947	65,696	96,102	8,625
<u>Depreciation</u>	<u>261,798</u>	<u>109,947</u>	<u>60,149</u>	<u>86,713</u>	<u>4,989</u>
As at 31 december 2023	<b>18,572</b>	<b>0</b>	<b>5,547</b>	<b>9,388</b>	<b>3,636</b>

The tangible fixed assets have been retained for our operations. The expected useful economic life per category is shown below:

	Useful economic life (in years)	Depreciation percentage
Buildings	5	20,0%
Furniture & fixtures	5	20,0%
Equipment	5	20,0%
Computers	3	33,3%

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## Financial fixed assets

	31-12-2023	31-12-2022
Participations in other entities	6,534	0
Loans to other RECs	500,000	554,000
Other securities	56,632	0
<b>Financial fixed assets</b>	<b>563,165</b>	<b>554,000</b>

### *Participations*

In 2023 Stichting Solidaridad Network took over 90% of the shares in Solidaridad Network India Private Limited (SNIPL) from Solidaridad Asia against a value of € 6,534. The company provides IT services to farmers and not for profit projects in India.

### *Loans to other RECs*

Stichting Solidaridad Network has a long term loan to Solidaridad West Africa of € 500,000 (2022: € 554,000). The loan is meant to financially contribute to a construction project in Ghana initiated by Solidaridad West Africa. In 2023 the terms of the loan were renegotiated. The loan will be interest free and will be paid off in a maximum of 10 years on the basis of the return of investment of the building. Because of the renegotiation, the built up interest of € 54,000 was written off.

### *Other securities*

Stichting Solidaridad Network has purchased 50% of the shares (€ 56,632) in Regenagri C.i.C., a company that supports farms and organisations transitioning to holistic farming, increasing soil health, encouraging biodiversity, reducing greenhouse gas emissions and sequestering CO2. Regenagri also provides farmers with routes to additional funds through carbon credit markets and environmental subsidies. Solidaridad Asia owns the other 50% of the shares. The expectation is that the shares can be sold at a fair value of EUR 60,000.

## Receivables, Prepayments And Accrued Income

	31-12-2023	31-12-2022
Other receivables and prepaid expenditures	341,010	215,603
Receivables from related (Solidaridad) organisations	911,304	1,018,255
<b>Total receivables, prepayments and accrued income</b>	<b>1,252,314</b>	<b>1,233,858</b>

All receivables and accrued expenses are expected to be realized in the course of 2024.

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### *Other receivables and prepaid expenditures*

The other receivables and prepaid expenditures contain the deposit for the rental of the office building (€ 9,700), prepaid expenses for IT licences and subscriptions (€ 182,709) and a receivable related to programmatic work that has been executed whilst the income was not yet received (€ 8,601).

### *Loan to Regenagri*

Stichting Solidaridad Network has a loan to Regenagri C.i.C. of € 140,000 which will be paid back before the end of 2024.

### *Receivables from Solidaridad entities*

The balances of intercompany receivables per related (Solidaridad) organisations are shown below:

#### **Receivables from related (Solidaridad) organisations**

	<b>31-12-2023</b>	<b>31-12-2022</b>
Solidaridad East and Central Africa	107,086	187,129
Solidaridad West Africa	134,024	467,984
Solidaridad South America <sup>1</sup>	0	179,142
Solidaridad Latin America	220,156	0
Solidaridad Europe	384,620	184,000
Solidaridad South Africa	48,084	0
Solidaridad Asia	17,336	0
<b>Total receivables from related (Solidaridad) organisations</b>	<b>911,304</b>	<b>1,018,255</b>

#### **Cash and bank balances**

	<b>31-12-2023</b>	<b>31-12-2022</b>
Current accounts	409,918	525,954
Savings accounts	403,783	555,184
<b>Total cash and bank balance</b>	<b>813,701</b>	<b>1,081,137</b>

The cash is free at the disposal of Stichting Solidaridad Network.

<sup>1</sup> In the year 2023, the Solidaridad South America and Solidaridad Central America regions merged into the Solidaridad Latin America region.

## LIABILITIES

### Reserves and Funds

	<b>Total</b>	<b>Solidaridad General reserve</b>	<b>Solidaridad Innovation reserve</b>
Balance on 1 January	2,276,898	2,187,518	89,380
Dotation (+)	0	0	0
Withdrawal (-)	-427,529	-338,149	-89,380
<b>Balance on 31 December</b>	<b>1,849,369</b>	<b>1,849,369</b>	<b>0</b>

The Solidaridad innovation reserve was created in 2020 with a total value of € 1,050,000. In 2021, there was a dotation of € 100,000 according to the income realized for this purpose. The Solidaridad Innovation reserve intends to finance innovation track teams that work on global solutions in line with the Solidaridad Network innovation strategy in MASP III (2021-2025). In the year 2023 these innovation tracks came to an end due to which the innovation reserve has been brought to zero.

The general reserve ensures the Network Secretariat's sustainability prospects, and creates a flexible mechanism which facilitates the Solidaridad Network at large. Stichting Solidaridad Network bases itself on the concept of sustainable relationships with its partners and with its staff. The size of the general reserve is determined as the trade-off between the desirability of deploying as much as possible of our reserves for our objectives and the need to maintain a healthy financial basis for the future. The general reserve is intended to ensure that the Stichting Solidaridad Network can continue to meet its obligations.

The Executive Board of Directors of Solidaridad Network have prepared guidelines, which the Supervisory Boards have approved, stating that:

"A reservation of resources is desirable for the continuity of the support given to the charity's goals; The continuity should be no more than 1.5 times the annual costs of maintaining the operational structure."

In 2023, a withdrawal of € 506,685 was made from the Solidaridad general reserve which brought the balance of the reserve to a total value of € 1,680,833. The costs for maintaining the operational structure are defined as all costs except expenditures related to other Solidaridad entities, activity costs and costs for partners and consultants.

The costs for maintaining Stichting Solidaridad Network's operational structure in 2023 were 1,836,430 (2022: € 1,733,849). At the end of 2023 the level of the general reserve is 0.92 times the level of costs needed to maintain the operational structure (2022: 1.26). The costs to maintain the operational structure remained fairly equal whilst the general reserve reduced, due to which the ratio decreased below the level of 1.

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## Short term debts

All short term debts are due within one year, and they are expected to be realized in 2024.

	<b>31-12-2023</b>	<b>31-12-2022</b>
Deferred income from related (Solidaridad) organisations	149,931	15,000
Accrued salary payables (social security)	61,386	80,576
Other creditors & accrued liabilities	224,151	213,570
Payables to related (Solidaridad) organisations	362,917	313,507
<b>Total short term debts</b>	<b>798,385</b>	<b>622,653</b>

The deferred income relates to deferred income for projects in Egypt (€ 135,370) and for Stichting Solidaridad Network itself (€ 9,660).

The accrued salary payables consist of the social securities for the payroll of December 2023 (payable in January 2024). The other creditors & accrued liabilities consist of the provision for employees' paid leave not taken (up until the end of 2023) and the reserve for the employees' holiday allowance (payable in May 2024), plus a reserve for the audit expenses for 2023, and some other payables to suppliers that are expected to be realized and fully paid in the course of 2024.

The payables to related (Solidaridad) organisations will be settled in the course of 2024. The details are shown below:

	<b>31-12-2023</b>	<b>31-12-2022</b>
Solidaridad Asia	0	215,725
Solidaridad Central America <sup>2</sup>	0	97,782
Solidaridad North America	141,990	0
Regenagri C.i.C.	159,900	0
Kvuno Egypt	61,026	0
<b>Total payables to related (Solidaridad) organisations</b>	<b>362,917</b>	<b>313,507</b>

<sup>2</sup> In the year 2023, the Solidaridad South America and Solidaridad Central America regions merged into the Solidaridad Latin America region.

## Contingent liabilities and conditional rights

### *Rental Contract*

Stichting Solidaridad Network has entered into a five-year rental contract for the rental of the ground floor of 't Goylaan 15 in Utrecht per 1 August 2016. In 2021 the contract was renewed for five years until 31 July 2026. The rental costs are indexed annually based on the consumer price index. The annual rent obligation is approximately € 55,000.

### *Other liabilities*

Stichting Solidaridad Network has entered into a three-year contract with Salesforce (SFDC Ireland Limited) for the purchase of licence fees. The agreement came into effect on January 1 2021 and the fixed annual obligation resulting from this is approximately € 135,000.

Stichting Solidaridad Network has entered into a three-year contract with FinancialForce (Financial Force UK Limited) for the purchase of licence fees for a cloud-based accounting application which is built on the Salesforce platform. The contract came into effect on 31 January 2023 and the fixed annual obligation resulting from this is approximately € 121,000.

Stichting Solidaridad Network has entered into a three-year contract with Google (Google Ireland Limited) for the purchase of software. The agreement came into effect on January 1 2023 and the fixed annual obligation resulting from this is approximately € 80,000.

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# NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

## INCOME

### Income from related (Solidaridad) organisations

Stichting Solidaridad Network does not agree contracts with donors by itself; it receives contributions from other Solidaridad offices worldwide to achieve joint goals. These contributions are for the performance of services on the one hand, and for contributions to donor programs on the other hand. Compared to 2022, the income from other offices increased with € 38,595. This is due to the timing of data availability; the annual correction for the contributions for both 2022 and 2023 from the Solidaridad offices has been included in the income for 2023. In previous years, only the correction for the previous year was included and the correction for 2023 would fall in the 2024 financial year because the data was not available in time to complete the annual accounts. If the income had been included in the annual accounts according to the regular system, the income for 2023 would have reduced by € 129,940 million to € 2.2 million in 2023, mainly because the global revenue stayed behind, due to which the annual service contributions from regions was lower. The breakdown is as follows:

	Income 2023	Income 2022
<b>Income from related (Solidaridad) entities</b>		
Solidaridad Asia	242,396	115,889
Solidaridad Southern Africa	48,084	20,149
Solidaridad East and Central Africa	103,686	107,967
Solidaridad West Africa	176,040	177,256
Solidaridad South America	0	158,976
Solidaridad Central America	0	32,421
Solidaridad Latin America	317,938	0
Solidaridad North America	8,010	68,499
Solidaridad Europe	1,484,065	1,660,467
<b>Total</b>	<b>2,380,220</b>	<b>2,341,624</b>

## EXPENDITURE

### Activity costs

	2023	2022
Travel and living expenses	111,602	159,635
Other activity costs	9,651	20,425
<b>Total activity costs</b>	<b>121,253</b>	<b>180,060</b>

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The activity costs are mostly related to the employees travel expenses. The travel-related expenses and movement of the staff members stayed behind with € 48,033 compared to 2022. The year 2022 saw a compensation effect from the years before where travel was limited due to the covid-19 pandemic. In 2023, travel expenses reduced again to a stable level. Also, the former Executive Director left on 1 November 2023 just before the intensive travel season.

### Partners and consultants

	<b>2023</b>	<b>2022</b>
Partner and consultants costs	277,759	267,210
<b>Total partner and consultant costs</b>	<b>277,759</b>	<b>267,210</b>

The expenses for partners and consultants stayed around the same level as in 2022. Solidaridad works with associate consultants, staff from other Solidaridad entities who are not on the payroll but who are seen as part of the team. The costs for associate consultants were presented as consultant costs in 2022 and have been included in staff costs in 2023. Comparative figures for 2022 have been changed to represent correct comparative figures.

### Solidaridad staff costs

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	actual	budget	actual
Gross salaries	961,153	991,126	1,158,935
Social premiums	130,952	149,901	138,866
Pension costs	166,329	190,397	184,273
Other staff costs	108,947	38,576	8,950
Associate consultants	224,024	203,097	111,345
<b>Total Solidaridad staff costs</b>	<b>1,591,406</b>	<b>1,573,097</b>	<b>1,602,369</b>

The total staff costs decreased by 1% compared to 2022 whilst they came 1% above the budget for the year. Between 1 January and 31 December 2023 three (3) employees left the organisation, leaving 9 staff members employed at the end of the year 2023 (2022: 12 staff members), expressed as 9 full-time equivalent (FTE) (2022: 11.92). The division between male and female is 44% female and 56% male.

At the end of the year 2023 Solidaridad contracted three associate consultants from other Solidaridad entities who were part of the team of Stichting Solidaridad Network. Two of the three associate consultants were newly contracted in the fourth quarter of 2022.

In accordance with Solidaridad's statutes, the members of the Supervisory Boards of Solidaridad receive no remuneration of any kind.

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The other staff costs are € 99,997 higher than in 2022. The increase is mainly caused by recruitment expenses in order to fulfil vacancies (€ 53,572) and by an extra reservation of € 31,096 that had to be made to bring the reserve for not consumed vacation days to the correct level. Compared to 2022, less was spent on training and courses.

#### *Pension costs*

Solidaridad Network Foundation has a service agreement with Centraal Beheer APF for a defined contribution pension scheme for its employees. Paid and to be paid premiums during 2023 have been charged to the income & expenditure statement.

#### *Remuneration of the director*

	<b>2023</b>	<b>2022</b>
Executive Director	Jeroen Douglas	Jeroen Douglas
Period	January-November	January-December
Employment contract	Permanent	Permanent
Hours	36	36
Percentage of full time	100	100
Salary including 13th month and holiday pay	128,568	134,116
Employers pension contribution	27,539	25,456
Gross salary to the Executive Director	<b>156,107</b>	<b>159,572</b>
Employer social security contribution	10,238	9,881
Total salary costs to the organisation	<b>166,345</b>	<b>169,453</b>

The contract of the ED ended on 30 November 2023. The Managing Director of Solidaridad Latin America acted as honorary interim ED until 15 March 2024.

#### **Other costs**

	<b>2023</b>	<b>2022</b>
Audit & Legal fees	84,958	38,325
Depreciation costs	13,287	13,902
Communication costs	10,441	2,318
Office and general costs	467,491	164,672
<b>Total other costs</b>	<b>576,177</b>	<b>219,217</b>

The audit costs for the year 2023 are € 21,180 (2022: € 11,314) and the legal fees are € 63,799 (2022: € 27,012).

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## Expenditures related (Solidaridad) entities

	2023	2022
Solidaridad Asia	23,797	202,217
Solidaridad Southern Africa	0	190,400
Solidaridad East and Central Africa	0	5,577
Solidaridad West Africa	10,000	0
Solidaridad South America	0	4,834
Solidaridad Central America	0	0
Solidaridad North America	150,000	21,156
<b>Total expenditure to related (Solidaridad) entities</b>	<b>183,797</b>	<b>424,184</b>

The contracts with other Solidaridad entities for financing innovation tracks have ended in 2022, due to which the expenses to other Solidaridad entities have significantly decreased. Stichting Solidaridad Network reimbursed costs for global meetings and workshops to Solidaridad Asia and Solidaridad West Africa. Solidaridad North America's operational budget was financed with € 150,000.

## Financial income and expenditure

	2023	2022
Interest income & expenses on bank accounts	3,357	3,915
Interest income & expenses on long term investments	54,000	0
<b>Total financial income and expenditure</b>	<b>57,357</b>	<b>3,915</b>

The balance of income and expenses on bank accounts in 2023 is similar to the previous year. Due to a renegotiation of the loan with Solidaridad West Africa, the accrued interest on the loan had to be written off.

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## OTHER INFORMATION

### Appropriation of result

In anticipation of the approval of the financial report by the International Supervisory Board, the negative result of € 427,529 has been withdrawn from the general reserve for an amount of € 338,149 and € 89,380 has been withdrawn from the innovation reserve.

### Signing

The Executive Director of Solidaridad Network Foundation, Andre de Freitas, has adopted this financial report by signing it on February 17, 2025.

Andre de Freitas,  
*Executive Director of Solidaridad Network*

The International Supervisory Board (ISB) has provided its consent to this financial report by signing it on February 17, 2025.

Shamanin S. Zaman  
*Chair of the International Supervisory Board*

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identification purposes only  
MvD| 19-02-2025

# INDEPENDENT AUDITOR'S REPORT



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MvD| 19-02-2025

## Independent auditor's report

To the Supervisory Board and the managing board of Stichting Solidaridad Network

### **Report on the audit of the financial statements for the year ended 31 December 2023 included in the annual report**

#### **Our opinion**

We have audited the financial statements for the year ended 31 December 2023 of Stichting Solidaridad Network based in Utrecht.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Solidaridad Network as at 31 December 2023 and of its result for the period ending 31 December 2023 in accordance with the Guideline for annual reporting 640 'Non-profit organizations' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenses for the period ending 31 December 2023; and
3. the notes comprising of 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 of 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 Solidaridad Network 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.

## **Report on the other information included in the annual report**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by the Guideline for annual reporting 640 'Non-profit organizations' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the Management Board report in accordance with the Guideline for annual reporting 640 'Non-profit organizations' of the Dutch Accounting Standards Board.

## **Description of responsibilities regarding the financial statements**

### **Responsibilities of the management board and the supervisory board for the financial statements**

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Non-profit organizations' of the Dutch Accounting Standards Board.

Furthermore, the management board is responsible for such internal control as the management 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 management board is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting, unless the management board either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

The management board should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

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

## **Our responsibilities for the audit of the financial statements**

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 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 the Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- 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 organisation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board;

- concluding on the appropriateness of the management board'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 organisation's 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 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 organisation 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 supervisory 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, 19 February 2025

Forvis Mazars N.V.



drs. M van Dijk RA