



O'Connor Pyne & Co. Limited

CHARTERED ACCOUNTANTS & STATUTORY AUDITORS
BUSINESS AND TAX ADVISORS

Joyce House, Barrack Square, Ballincollig, Cork. P31 HW35

t. +353 21 481 0080 f. +353 21 481 0035

e. info@oconnorpyne.com w. www.oconnorpyne.com

FoodCloud

Annual Report and Audited Financial Statements for the year ended 31 December 2019

DIRECTORS **TOMAS O'CONNOR** B.B.S., F.C.A., C.T.A. **CONOR PYNE** B.COMM., F.C.A. **ORIEL LAWTON** B.Sc Fin., A.C.A.

Registered to carry on audit work and authorised to carry on investment business by Chartered Accountants Ireland.

Company No: 379725



FoodCloud

CONTENTS

	Page
Reference and Administrative Information	3
Directors' Annual Report	4 - 12
Directors' Responsibilities Statement	13
Independent Auditor's Report	14 - 16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 - 29
Supplementary Information relating to the Financial Statements	31 - 33

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors

John Dunphy (Chairman)
Niamh Bushnell
Suzanne Delaney
Brendan Dempsey (Resigned 1 March 2019)
Ciaran Foley
Colum Gibson
Joseph Hogan
Ann Keenan
Eoin MacCuirc
Colman O' Keffe
Declan Francis Ryan

Company Secretary

Eoin MacCuirc

Chief Executive Officer

Iseult Ward

Charity Number

20101398

Charities Regulatory Authority Number

21177

Company Number

531537

Registered Office and Principal Address

8 Broomhill Business Park
Broomhill Road
Dublin 24

Auditors

O'Connor Pyne & Co. Limited
Chartered Accountants and Statutory Auditors
Joyce House
Barrack Square
Ballincollig
Co. Cork

Bankers

Allied Irish Bank plc
Tallaght
Dublin 24

Solicitors

A&L Goodbody
IFSC
North Wall Quay
Dublin 1

FoodCloud

DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the year ended 31 December 2019.

The financial statements are prepared in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Directors' Report contains the information required to be provided in the Directors' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The directors of the company are also charity trustees for the purpose of charity law and under the company's constitution are known as members of the board of trustees.

In this report the directors of FoodCloud present a summary of its purpose, governance, activities, achievements and finances for the financial year 31 December 2019.

The company is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Act 2014 and, although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the organisation has implemented its recommendations where relevant in these financial statements.

The company is limited by guarantee not having a share capital.

Strategy, Mission & Vision

Strategy Context

Globally over 30% of food is wasted resulting in 8% of GHG Emissions. Currently, 820m people are hungry and we will need 56% more food to feed our growing population by 2050 (Source: Food and Agriculture Organisation of the United Nations FAO). Reducing Food Waste is the #3 solution to reversing global warming according to Project Drawdown (Drawdown.org).

Our Strategy

FoodCloud is a Not-for-Profit social enterprise that exists first and foremost to reduce the environmental, social and economic impact of food waste. We do this by redistributing surplus food to our charity and community partners.

FoodCloud are committed to supporting the global achievement of Sustainable Development Goal (SDG) 12.3 and SDG 2 - to reduce food waste by 50% and achieve Zero Hunger by 2030. We aim to create solutions that are financially sustainable and that focus on using surplus food as a tool to increase social inclusion and inspire others through action. We develop innovative and practical solutions that can be activated at a small scale in communities but scaled nationally and globally.

Our objective is to have a transformative impact on food waste and food security globally, by sharing our technology and expertise from our work in Ireland with established international networks of food banks.

Mission & Vision

FoodCloud's vision is for a world where no good food goes to waste.

Our mission is to transform surplus food into opportunity to make the world a kinder place. We will attain this by achieving our mini missions:

1. Redistribute surplus food, thereby reducing food waste (kinder to planet)
2. Create opportunities for social inclusion through this redistributed food (kinder to people),
3. Inspire communities to take local action, the ripple effect of which will result in global change.

FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

Structure, Governance and Management

Structure

FoodCloud is a company limited by guarantee, not having a share capital, incorporated in Ireland in 2013 under the Companies Act and registered in Ireland with CRO registration No. 531537. Every member of FoodCloud undertakes, if necessary on a winding up during the time they are a member or within one year after they cease to be a member, to contribute to the assets of FoodCloud an amount not exceeding €1. FoodCloud's governing document is its Memorandum and Articles of Association. Under the provision of Section 1180 of the Companies Act, 2014, FoodCloud is exempt from including 'company limited by guarantee' in its name. FoodCloud is a charity registered with the Charities Regulatory Authority, CRA No: 20101398, and has been granted tax exemption by the Revenue Commissioners in Ireland, registered charitable taxation No: CHY 21177.

Merger of FoodCloud and FoodCloud Hubs

In 2018, the additional capacity and financial security provided by a multi-year partnership with AIB and Social Innovation Fund Ireland (SIFI) enabled FoodCloud to focus and develop a robust 3-year strategic plan to optimally position the organisation for sustainable future growth. The outcome of this work led to the decision to merge FoodCloud with sister charity FoodCloud Hubs (which had established Ireland's first national food bank network), formerly called Bia Food Initiative (CRA No: 20081652), and to restructure both organisations.

On 01 July 2019, FoodCloud Hubs and FoodCloud combined to form a single entity - FoodCloud. All assets, liabilities and undertakings of FoodCloud Hubs (CRA No: 20081652) were transferred across to FoodCloud (CRA No: 20101398). This was a planned outcome (refer to FoodCloud's 2018 Directors Report) for both organisations, as they shared similar priorities, objectives, motivations and value bases. The merger took place following the approval of the relevant funders and regulatory bodies.

FoodCloud had 32 full time employees in 2018 and FoodCloud Hubs had 20, working across three warehouses in Cork, Dublin and Galway.

The core objectives of the merger were:

1. **Governance & Control** - one board, one CEO and one executive team delivering on clear strategic priorities resulting in more effective and efficient decision making.
2. **Finance** - a merged entity would have a broader and more balanced range of income streams, healthy reserves and improved cost control creating a financially stable and sustainable organisation.
3. **People** - our people would benefit from clarity of direction, reporting and identity with enhanced training and development in an organisation offering more diverse opportunities.
4. **Operations** - one team harnessing our combined skills, organised and aligned to optimise performance and impact.
5. **Proposition** - combining the direct (FoodCloud Hubs) and virtual (FoodCloud) food redistribution models resulting in an enhanced service for our partners, delivering increased impact.

FoodCloud's new structure now consists of seven core functions:

- **Irish Partnerships:** Responsible for FoodCloud's proposition and external offering in Ireland, strategically aligning all Irish partnerships including food, community groups, volunteering and corporate partnerships across FoodCloud and formerly FoodCloud Hubs. Responsible for key partnerships, revenue, food moved, innovation strategy and fundraising to support these activities.
- **International Partnerships:** Responsible for developing and delivering FoodCloud's international strategy to share our technology and expertise from our work in Ireland with established international networks of food banks. Responsible for International Partnerships including FareShare, FEBA, GFN, international groups and fundraising to support these activities.
- **Operations:** Responsible for the overall operations strategy, aligning support centre (FoodCloud Retail), warehouse and transport solutions (FoodCloud Hubs), working across functions to ensure operations are supporting existing and new partnerships in a cost effective way. Responsible for cost/tonne, food moved, delivery of programmes and compliance.
- **Finance & Governance:** Responsible for finance, HR, and governance, including all grants, FEAD and office management.

FoodCloud

DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

- **Organisational Excellence:** Responsible for improving processes and implementing new systems and ways of working across the organisation including, data, reporting and business analytics.
- **Marketing and Communications:** Responsible for communications (internal and external) and marketing plan to support the strategic objectives. This includes supporting fundraising and partner offering and activities.
- **Technology & Engineering:** Responsible for establishing the organisation's technical vision and lead all aspects of technical development.

Our values help shape the behaviours and culture of our organisation:

- **We are: Doers.** The only thing bigger than our vision is our drive. We're all about action and we're constantly finding practical solutions that create positive impact.
- **We are: In this together.** We are a team and we believe that trust, respect, collaboration, honesty and loyalty are everything. We support each other to continuously learn and develop.
- **We are: Role models.** We know we can't do it alone. We inspire volunteers, enable the food industry and empower charities to help to build a world with less waste and more heart.
- **We are: Driven by Kindness.** We never forget what drives us – kindness, fairness and a desire to help people and the planet. We channel our kindness at all times, by being respectful and supportive to each other and the communities and businesses we work with. Kindness drives our principles and our choices, every single day.
- **We are: Enterprising.** Our kindness is professional and principled. We aspire to generate sustainable income streams from diverse sources that value our solutions.

Governance

FoodCloud is governed by a **Board of Directors of ten members (seven men and three women)** who are responsible for providing leadership, setting strategy and ensuring control through operational and financial oversight.

The Board of Directors is committed to maintaining high standards of corporate governance and FoodCloud has the following status in relation to complying with the Charities Institute Ireland (CII) Triple Lock standard (Governance Code for Community and Charity Sector):

1. Our annual report and financial statements are prepared in full compliance with the Charities **SORP** (Statement of Recommended Practice under FRS102) and the annual report is made available to the public on our website.
2. FoodCloud is committed to complying with the **Statement for Guiding Principles for Fundraising** and has formally discussed and adopted the Statement at a meeting of the Board of Directors in 2019.
3. The Board of FoodCloud has declared its intent to comply with **The Charities Regulator Charities Governance Code** during H1 2020.

Our Data Protection policy and Privacy policy are available on the FoodCloud website. The Board has Conflicts of Interests and Loyalties as a standing agenda item for all board meetings.

FoodCloud's Board of Directors completed a **Board Review** in February 2018 to assess the level of board effectiveness, performance and corporate governance. The board review was an externally facilitated review with a specialist Board Consultancy firm, Board Excellence, selected to support the Chairman to conduct the review. One of the key recommendations was to conduct a review of the structure and relationship between FoodCloud and its sister company FoodCloud Hubs. The review of the legal structure was conducted during 2018/19 and culminated in the merger of FoodCloud and FoodCloud Hubs on 01 July 2019.

Directors of the Board are elected by the members of FoodCloud at the Annual General Meeting. The Board has the power to appoint directors in the interim until the next Annual General Meeting. When recruiting new directors, the Board aims to attract a diverse range of candidates with the skills FoodCloud needs. Three new board members were recruited in 2018 with expertise in Technology, Food Industry and Logistics and Human Resources. The Board met ten times during the year, with an average attendance of 63%.

FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

The Board gives of their time to FoodCloud on a voluntary basis and receives no remuneration. Out-of-pocket expenses may be reimbursed; however, none were claimed during 2019. The Board ensures that the activities of FoodCloud are consistent with its charitable objectives and aims. There are clear distinctions between the roles of the Board of Directors and the Executive Management Team, to which day-to-day management is delegated. Matters such as policy, strategic planning, and budgets are drafted by the Executive Management Team for consideration and approval by the Board, who then monitor the implementation of these plans.

FoodCloud is extremely grateful to all the voluntary Directors for their commitment and contribution to the organisation. We extend our thanks to Mr. Brendan Dempsey upon his retirement for his significant contribution at board level for the last 5 years.

The Board is supported by a board committee structure which deals effectively with specific aspects of the business of FoodCloud. The board committees in place are:

- the Risk, Strategy and Governance Committee
- the Audit and Finance Committee and
- the Remuneration Committee.

Management

Day-to-day operations of the organisation are managed by the Chief Executive Officer, who is appointed by the Board. A senior management team of seven members report to the Chief Executive Officer; the Finance Director, Head of Communications, Head of Engineering, Head of Operations Development, International Partnerships Director, Operations Director and Partnerships Director. The management team is supported by a team of 47 people who all work to achieve an annual plan and budget that is agreed and signed off by the board at the start of each year. Progress against the plan is measured and reported to the board on a monthly basis through a detailed board pack and presentation

Review of Services, Activities and Performance

Services

Delegated Distribution - FoodCloud has developed a technology solution that provides retailers with a managed service, comprising access to online and phone support, access to technology and robust data and reporting to enable them to donate food to local charities. This includes providing support (via a contact centre) to community groups that are participating in the redistribution programme. FoodCloud charges retailers a price per store to contribute to the costs associated with the service, fundraising is required to cover all the costs. This activity supports an increase in social inclusion by providing charities with the opportunity to access free surplus food which they can use to reduce their food costs and enhance their services to the individuals that they support in communities across the country.

Direct Distribution - FoodCloud has three surplus food redistribution Hubs in Ireland, located in Dublin, Galway and Cork. FoodCloud works closely with the Irish food industry to identify and rescue surplus food from food manufacturers, producers, growers and distributors and redistribute it to community groups across Ireland.

Donation Management Technology Platform - FoodCloud's technology platform is currently being used by food banks and food rescue organisations internationally to enable them to work with more donors (including retailers) in their country. This demonstrates the power of technology to create a local solution to solve a global problem and to scale it to an international level to increase the impact of food redistribution.

Activities and Performance in Ireland

In Ireland, we have established two national solutions for food redistribution through Direct Distribution (a network of three food redistribution hubs located in Dublin, Cork and Galway) and Delegated Distribution (our technology platform that connects food businesses directly to local charities). Our impact for each is detailed below;

Delegated Distribution: In 2019, FoodCloud worked with Aldi, Lidl, Musgrave MarketPlace and Tesco in Ireland and redistributed 1,192 tonnes of surplus food to 584 community groups. This is the equivalent of approximately 2.8m meals or an approximate saving of €3.6m of food (EPA, True Costs of Food Waste, 1kg=€3). Preventing this surplus food going to landfill, resulted in an equivalent reduction of approximately 3,814 tonnes of CO2 emissions.

FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

Direct Distribution: As detailed above in July 2019 FoodCloud and FoodCloud Hubs merged into FoodCloud. The impact achieved by FoodCloud Hubs in the first half of 2019 is recorded and reported through the "FoodCloud Hubs Annual Report" (link). In addition to this the impact achieved through our three Hubs for the 6 months ended 31 December 2019 is detailed as follows:

- 547 tonnes of food redistributed
- The equivalent of approximately 1.3m meals or an approximate cost saving of €1.6m of food
- Preventing this surplus food going to landfill, resulted in a reduction of approximately 1,751 tonnes of CO2 emissions.
- 107 food industry partners engaged, including: Aldi, Country Crest, Glanbia, Hilton, Lidl, Meade Potato Company, Musgrave, Nestle, Pallas Foods, Tesco and many more.
- 235 community groups supported.
- 573 volunteering opportunities provided, the equivalent of 3,400 hours

FEAD Programme: As of the merger date 01 July 2019, FoodCloud worked closely with the Department of Employment Affairs and Social Protection (DEASP) as the delivery partner for the Fund for European Aid to the Most Deprived (FEAD) programme nationwide. FoodCloud's role is to procure, store and distribute FEAD products to eligible charities. During the 6 months ended 31 December 2019 we procured €1,894,748 worth of FEAD product. This resulted in the distribution of 652 tonnes of food to a network of over 150 eligible charities across 25 counties, supporting 150,863 individuals, 43% of whom are children.

Activities and Performance Internationally

Globally, our technology platform can complement and enhance the operations of food banks. The platform allows the creation and management of a network of donors and charities, the management of food donations through food banks and also facilitation of donations directly from businesses to charities, improved tracking of data of donated food.

In the UK, **FoodCloud worked with Tesco and Waitrose** to redistribute surplus food in partnership with FareShare and in 2019 redistributed 7,176 tonnes of food, the equivalent of approximately 17.1m meals or an approximate value of €21.5m of food. Preventing this surplus food going to landfill, resulted in an equivalent reduction of approximately 22,963 tonnes of CO2 emissions.

In 2018, we started piloting our technology solution with food banks and retailers in **Australia, Poland and the Czech Republic**. In 2019, 305 tonnes of surplus food was redistributed with International partners outside of Ireland and the UK. This is the equivalent of approximately 0.7m meals or an approximate value of €0.9m of food and, by preventing this surplus food going to landfill, resulted in an equivalent reduction of approximately 976 tonnes of CO2 emissions.

FoodCloud are the Irish members of the **European Food Banks Federation** which has 24 national organisations as members (including FareShare) that together redistributed 781,000 tonnes of food to 45,700 charities. FoodCloud are also a member of the **EU Commission's working group on Food Loss and Waste** and actively engage with the **Global Food Bank Network** who support food banks in 34 countries that have redistributed 503,000 tonnes of food to over 55,000 charities.

Employment Creation: FoodCloud works with the **Department of Rural and Community Development** to deliver the **Community Services Programme (CSP)** which aims to create sustainable jobs for those distant from the labour market. Following the merger on 01 July 2019, the 20 full time roles in FoodCloud Hubs transferred to FoodCloud (under TUPE) and continue to work directly in the redistribution of food across the three Hubs. FoodCloud also provided 16 TUS and Community Employment (CE) placements in 2019.

FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

Financial Review

FoodCloud is supported through fees from retailers, donations and grants from a few, large organisations, who, by their nature, are dynamic and whose priorities are subject to change at short notice. The directors are satisfied that there is a philanthropic element to the fees paid by the retailers.

Financial Results

At the end of the year the company has assets of €2,925,943 (2018 - €1,444,032) and liabilities of €624,452 (2018 - €356,240). The net assets of the company have increased by €1,213,699, mainly due to the merger with Foodcloud Hubs on 1 July 2019 (See Note 20).

As outlined in detail, on 01 July 2019, FoodCloud Hubs and FoodCloud combined to form a single entity - FoodCloud. All assets, liabilities and undertakings of FoodCloud Hubs (CRA No: 20081652) were transferred across to FoodCloud (CRA No: 20101398). This was a planned outcome (refer to FoodCloud's 2018 Directors Report) for both organisations, as they shared similar priorities, objectives, motivations and value bases.

The directors report the following significant financial events during the year:

- The surplus for the financial year, after providing for depreciation, amounted to €189,049 (2018: €497,373).
- Total income amounted to €4,828,546 (2018: €2,141,917) and is broken down as follows:
 - Income from the FEAD Programme was €1,894,748 (2018: €0). (Restricted funds specifically for the purchase of FEAD Product - Refer to direct expenditure below).
 - FEAD Administration Income was €250,757 (2018: €0). (Income is to cover the costs of warehousing and administering the FEAD Programme).
 - Operational Income from Direct Distribution was €153,744 (2018: €0).
 - Operational Income from Delegated Distribution was €1,532,363 (2018: €1,387,819).
 - Income from grants and donations was €878,349 (2018: €645,412) (includes €178,198 from CSP and €584,000 from the Social Innovation Fund of Ireland) during the financial year (2018: €0 and €500,000 respectively).
 - Other Income including Corporate Volunteer Programme and Shared Resources provided to FoodCloud Hubs was €118,585 (2018: €108,686).
- Direct expenditure related to the purchase of food products specifically for the FEAD programme was €1,894,748 (2018: €0).
- Overhead expenditure was €2,744,785 (2018: €1,644,544).
 - Payroll costs of €1,814,314 (2018: €1,296,741) represented 66% of overhead costs in the year (2018: 79%).
 - Professional fees and contractors of €344,090 (2018: €64,161) include costs to upgrade the FoodCloud donation platform during the year. (FoodCloud designated funds of €260,000 at 31 December 2018 in respect of these costs).
- The financial results for the year ended 31 December 2019 are shown in the Statement of Financial Activities on page 17.

Reserves

In accordance with recommended best practice, all charities should have a reserve policy.

FoodCloud's directors have opted to adopt a risk based reserves policy to protect the operational requirements of FoodCloud from short term disruption to ensure that we can continue to operate and provide our essential services to our partners. FoodCloud's services provide essential food donations to a network of 500+ community groups in Ireland and supports a significant number of charities through our technology platform internationally (7,500 approximately). If FoodCloud were suddenly unable to operate, the repercussions on our partners would be severe and would cause serious problems for the vulnerable and disadvantaged service users whom they support

FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

FoodCloud has a number of multi-year agreements which are due for renewal or are going to expire at the end 2020; specifically, (a) The EU FEAD Programme with DEASP, (b) CSP funding through the Department of Rural and Community Development, (c) Social Innovation Fund of Ireland Growth Fund and (d) AIB; the combined budgeted contribution to overheads from these organisations for 2020 is €1.7 million.

It is the aim of the directors to ensure that reserves are sufficient to ensure that FoodCloud continues to operate on a going concern basis in order to meet its objectives and that the level of reserves required should take into account the risk around potential rapid changes in major income streams. The directors have decided that FoodCloud should aim to hold general reserves, of a minimum of 13 weeks of committed expenditure, as per Pobal's good practice recommendations

Total reserves at the end of 2019 are €2,301,491 (2018: €1,087,792). These reserves include €1,024,650 resulting from the transfer of the assets, liabilities and undertakings of FoodCloud Hubs to FoodCloud following the merger on 01 July 2019.

The board agreed to designate €100,000 from general reserves at the end of 2019. The designated funds are allocated to enable FoodCloud to provide additional resources to maintain services during the Covid-19 crisis. Designated funds of €260,000 were allocated to upgrading the FoodCloud donation platform at the end of 2018.

Based on the results for the year ended 31st December 2019, we calculate that FoodCloud held reserves of 30 weeks (2018: 34 weeks).

Principal Risks and Uncertainties

The directors have ultimate responsibility for managing risk and are aware of the risks associated with the operating activities of FoodCloud. The directors are satisfied that adequate systems of governance, supervision, procedures and internal controls are in place to mitigate the exposure to the major risks and that these controls provide reasonable assurance against such risks. The major risks include financial risks, operational and safety risks, compliance risks and reputational risks.

Future Developments

FoodCloud are committed to supporting the global achievement of Sustainable Development Goal (SDG) 12.3 and SDG 2 - to reduce food waste by 50% and achieve Zero Hunger by 2030. Our objective is to have a transformative impact on food waste and food security globally, by sharing our technology and expertise from our work in Ireland with established international networks of food banks.

In Ireland, we are committed to supporting our network of over 500 community groups. They provide essential support to those who are most vulnerable in our communities across Ireland. 2020 will prove to be one of the most challenging years that communities across Ireland will face with the Covid-19 pandemic and it is essential that FoodCloud continues to provide food through our services during this time, with the ability to adapt to an ever changing situation and the needs of our communities. The board has designated funding to allow additional resources during this time whilst also acknowledging that this pandemic will also lead to economic uncertainty by maintaining a level of reserves above the Pobal recommended 13 weeks cover in unrestricted reserves.

In line with our current strategic plan, we are also focused on supporting Ireland's food industry to reduce food waste, saving valuable resources and reducing our carbon emissions. FoodCloud's aim is to redistribute 25% of available surplus food by 2030, an estimated 6,250 tonnes of food per annum, to support Ireland's achievement of SDG 12.3. The board accepts that FoodCloud may need to invest from unrestricted reserves levels of funding to develop new innovative projects to tackle food waste, such as a project to prepare meals using rescued surplus food, as not all food can be redistributed through our two existing services.

In 2020, FoodCloud continues to focus on supporting our UK partner FareShare through the further development of our technology platform. FoodCloud also aims to expand its technology platform through pilots that were established in 2018 in Australia, Poland and the Czech Republic. FoodCloud is a member of the European Food Bank Federation and in future we aim to support this network by sharing our technology and expertise, becoming the "go to" choice for food redistribution organisations internationally by 2030, supporting the overall global achievement of UN SDG 12.3 and SDG 2.

FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

Directors and Secretary

The directors who served throughout the year, except as noted, were as follows:

John Dunphy (Chairman)
Niamh Bushnell
Suzanne Delaney
Brendan Dempsey (Resigned 1 March 2019)
Ciaran Foley
Joseph Hogan
Ann Keenan
Eoin MacCuirc
Colman O' Keeffe
Declan Francis Ryan

In accordance with the Constitution, the following directors retire by rotation and, being eligible, offer themselves for re-election:

Niamh Bushnell
Suzanne Delaney
Joseph Horgan
Declan Francis Ryan

The secretary who served throughout the year was Eoin MacCuirc.

The Chief Executive Officer who served during the year was Iseult Ward.

Compliance with Sector-Wide Legislation and Standards

The company engages pro-actively with legislation, standards and codes which are developed for the sector. FoodCloud subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Auditors

The auditors, O'Connor Pyne & Co. Limited, have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Compliance Statement

The directors are responsible for securing the company's compliance with its relevant obligations (compliance with both company and tax law) and with respect to each of the following three items, we confirm that it has been done. We confirm:

- the existence of a compliance policy statement;
- appropriate arrangements or structures put in place to secure material compliance with the company's relevant obligations;
- a review of such arrangements and structures has taken place during the year


FoodCloud DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2019

Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at 8 Broomhill Business Park, Broomhill Road, Dublin 24.

Approved by the Board of Directors on 8 April 2020 and signed on its behalf by:


John Dunphy (Chairman)
Director

Eoin MacCuirc
Director



DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2019

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard, issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the net income or expenditure of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

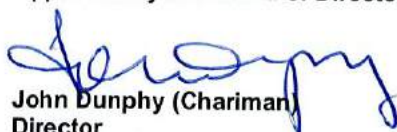
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and net income or expenditure of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Annual Report comply with Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Directors on 8 April 2020 and signed on its behalf by:


John Dunphy (Chairman)
Director

Eoin MacCuirc
Director



INDEPENDENT AUDITOR'S REPORT to the Members of FoodCloud

Report on the audit of the financial statements

Opinion

We have audited the company financial statements of FoodCloud for the year ended 31 December 2019 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its net incoming resources for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We do not believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an opinion

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Annual Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Annual Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Members of FoodCloud

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 13 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' 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 company'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 the the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT to the Members of FoodCloud

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Conor Pyne
for and on behalf of
O'CONNOR PYNE & CO. LIMITED
Chartered Accountants and Statutory Auditors
Joyce House,
Barrack Square,
Ballincollig,
Co. Cork.

8 April 2020

STATEMENT OF FINANCIAL ACTIVITIES(Incorporating an Income and Expenditure Account)
for the year ended 31 December 2019

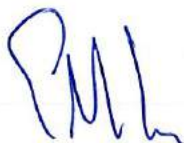
	Notes	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €	Unrestricted Funds 2018 €	Restricted Funds 2018 €	Total 2018 €
Incoming Resources							
Charitable activities							
Income from Charitable activities	6.1	2,401,393	2,427,152	4,828,545	1,998,350	143,567	2,141,917
Resources Expended							
Charitable activities	7.1	2,212,344	2,427,152	4,639,496	1,500,977	143,567	1,644,544
Net incoming/outgoing resources before transfers		189,049	-	189,049	497,373	-	497,373
Gross transfers between funds		-	-	-	-	-	-
Net movement in funds for the year		189,049	-	189,049	497,373	-	497,373
Reconciliation of funds							
Balances brought forward at 1 January 2019	18	1,087,792	-	1,087,792	590,419	-	590,419
Reserves – Merger with Foodcloud Hubs	20	1,024,650	-	1,024,650	-	-	-
Balances carried forward at 31 December 2019		2,301,491	-	2,301,491	1,087,792	-	1,087,792

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure relate to continuing activities.

Approved by the Board of Directors on 8 April 2020 and signed on its behalf by:


John Dunphy (Chairman)
Director

Eoin MacCuirc
Director



FoodCloud BALANCE SHEET

as at 31 December 2019

	Notes	2019 €	2018 €
Fixed Assets			
Tangible assets	13	189,777	8,970
Current Assets			
Debtors	14	417,017	150,755
Cash at bank and in hand		2,319,149	1,284,307
		2,736,166	1,435,062
Creditors: Amounts falling due within one year	15	(624,452)	(356,240)
Net Current Assets		2,111,714	1,078,822
Total Assets less Current Liabilities		2,301,491	1,087,792
Funds			
Unrestricted designated funds		100,000	260,000
General fund (unrestricted)		2,201,491	827,792
Total funds	18	2,301,491	1,087,792

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Approved by the Board of Directors on 8 April 2020 and signed on its behalf by:


John Dunphy (Chairman)
Director

Eoin MacCuirc
Director



FoodCloud

STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Net movement in funds		189,049	497,373
Adjustments for:			
Depreciation		56,974	9,882
		<u>246,023</u>	<u>507,255</u>
Movements in working capital:			
Movement in debtors		(266,262)	(9,504)
Movement in creditors		268,212	71,850
		<u>247,973</u>	<u>569,601</u>
Cash flows from investing activities			
Payments to acquire tangible assets		(25,682)	(6,417)
		<u>222,291</u>	<u>563,184</u>
Net increase in cash and cash equivalents		222,291	563,184
Cash and cash equivalents at 1 January 2019		1,284,307	721,123
Net Cash and cash equivalents transferred from Foodcloud Hubs (1 July 2019)		812,551	-
Cash and cash equivalents at 31 December 2019	22	<u>2,319,149</u>	<u>1,284,307</u>

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. GENERAL INFORMATION

FoodCloud is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the company is 8 Broomhill Business Park, Broomhill Road, Dublin 24 which is also the principal place of business of the company. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)", Irish statute comprising the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

The company has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland.

Statement of compliance

The financial statements of the company for the year ended 31 December 2019 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)" and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Incoming Resources

Income represents income received to cover operational expenses and includes donations, grants, awards and income from fundraising activities.

Voluntary income or capital is included in the Statement of Financial Activities when the company is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

Resources Expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Non-staff costs not attributed to one category of activity are allocated or apportioned pro-rata to the staffing of the relevant service. Finance, HR, IT and administrative staff costs are directly attributable to individual activities by objective. Governance costs are those associated with constitutional and statutory requirements.

Grant Income Policy

Capital grants received and receivable are treated as deferred income and amortised to the balance sheet annually over the useful economic life of the asset to which it relates. Revenue grants from the Government and other donors are recognised as income when the entitlement to the grant income is met. Income from grant agreements which are dependent on the provision of specific activities as per the grant agreement (performance related grants) are recognised when the activity has been undertaken.

The proportion of the grant that relates to the activities not yet undertaken is classified as deferred income and is shown in creditors. Income due but not yet received at the year end is included in Debtors.

Deferred Income

Deferred income represents funds received in advance for services provided by the charity post year end and grants received for projects which were not completed by the year end date.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

Restricted and Unrestricted funds

Restricted funds are funds which are used in accordance with specific restrictions imposed by grantors/donors or which have been raised by the charity for a particular purpose. The costs of raising and administering such funds are charged against the specific fund. Restricted funds relate to assets and liabilities used for a specific purpose which is requested by the grantor or donor in the form of a constructive request. All other funds are deemed to be unrestricted.

Designated funds

Designated Funds are funds which are available for use at the discretion of the Directors in the furtherance of the general objectives of the company. The directors can designate part or all of the unrestricted for specific purpose. These designations have administrative purpose only and do not legally restrict the Boards discretion on how to apply the fund.

Pay policy for senior staff

The directors consider the Board of Directors, who are the Charity's trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling the day to day operations.

The pay of the senior staff is reviewed annually.

Research and development

Research and development expenditure is expensed in the year in which it occurred.

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate.

Stock

The majority of stock held relates to FEAD product which has been provided free of charge to Department of Employment Affairs and Social Protection approved charities. Therefore no value has been attributed to stock held at the year end.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Warehouse office fit-out	- 10% Straight line
Fixtures, Fittings and Equipment	- 33% Straight line
Office Furniture	- 20% Straight line
Motor vehicles	- 25% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Trade and other Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the company from government agencies and other co-funders, but not yet received at year end, is included in debtors.

Trade and other Creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation and deferred taxation

The company is exempt from taxation under the Charitable Exemption provisions of Section 207, Taxes Consolidation Act, 1997.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions, during the year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange differences are dealt with in the Statement of Financial Activities.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the critical judgements and estimates that the Directors have made in the process of applying the Charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Depreciation and useful lives of tangible fixed assets

The depreciation rates are based on the expected useful lives of the relevant assets. The estimates and underlying assumptions are reviewed on an ongoing basis and could have a material impact on both the results for the year and the financial position if altered.

4. GOING CONCERN

The directors have a reasonable expectation, having made appropriate enquiries that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

5. POBAL INCOME AND EXPENDITURE

	2019 €	2018 €
Community Services Programme Income	178,198	-
Payroll costs	(178,198)	-
	-	-

6. INCOME

6.1 CHARITABLE ACTIVITIES

	Unrestricted Funds €	Restricted Funds €	2019 €	2018 €
Operational Income	1,804,692	-	1,804,692	1,496,505
Donations	12,701	-	12,701	1,845
Grant/award funding	584,000	103,449	687,449	643,567
FEAD Programme	-	2,145,505	2,145,505	-
Pobal- CSP Income	-	178,198	178,198	-
	2,401,393	2,427,152	4,828,545	2,141,917

7. EXPENDITURE

7.1 CHARITABLE ACTIVITIES

	Direct Costs €	Other Costs €	Support Costs €	2019 €	2018 €
FEAD Programme	1,894,748	237,281	-	2,132,029	-
Managed Distribution (Hubs)	-	517,320	26,440	543,760	-
Delegated Distribution (Retail)	-	1,427,075	106,385	1,533,460	1,627,627
Delegated Distribution (International)	-	382,819	-	382,819	-
Governance Costs (Note 7.2)	-	-	47,428	47,428	16,917
	1,894,748	2,564,495	180,253	4,639,496	1,644,544

FoodCloud
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

7.2 GOVERNANCE COSTS		Direct Costs €	Other Costs €	Support Costs €	2019 €	2018 €
	Charitable activities	-	-	47,428	47,428	16,917
7.3 SUPPORT COSTS			Charitable Activities €	Governance Costs €	2019 €	2018 €
	Payroll costs		119,829	39,228	159,057	85,908
	Professional fees		12,996	8,200	21,196	-
			132,825	47,428	180,253	85,908
8. ANALYSIS OF SUPPORT COSTS						
		Basis of Apportionment			2019 €	2018 €
	Payroll costs	Employee time is allocated based on time spent.			159,057	76,314
	Audit & Payroll Fees	Fees are charged based on service level agreement.			21,196	9,594
					180,253	85,908
9. NET INCOMING RESOURCES					2019 €	2018 €
	Net Incoming Resources are stated after charging/(crediting):					
	Depreciation of tangible assets				56,974	9,882
10. EMPLOYEES AND REMUNERATION						

Note: FoodCloud Hubs merged with FoodCloud on 1 July 2019 and all FoodCloud Hubs employees transferred to FoodCloud under TUPE.

Number of Employees

The average number of employees employed (including executive directors) during the year was as follows:

	2019 Number	2018 Number
Administration	31	32
Warehouse Operatives	12	-
	43	32
The staff costs comprise:		
	2019 €	2018 €
Wages and salaries	1,595,886	1,165,551
Social security costs	171,509	120,003
Pension costs	46,921	11,188
	1,814,316	1,296,742

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

11. EMPLOYEE BENEFITS

The number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within the bands below were:

	Number of Employees	Number of Employees
€60,001- €70,000	7	4
> €70,001	-	-

Remuneration includes basic pay and excludes employer pension and PRSI contributions.

12. KEY MANAGEMENT PERSONNEL REMUNERATION

	2019 €	2018 €
Wages and Salaries	430,875	264,031
Employer Pension Costs	16,076	2,850
	446,951	266,881

Included above is the salary of the Chief Executive Officer, Chief Operating Officer, Finance Director, Head of Communications, Head of Engineering, International Partnerships Director and Head of Business Operations. The CEO and all employees can opt to join the defined contribution pension scheme that was introduced in September 2018. The employer will match employee contributions up to a maximum of 5% of pensionable pay.

None of the members of the Board received remuneration for their services. No board member claimed travel expenses during the year.

13. TANGIBLE FIXED ASSETS

	Long leasehold property €	Computer Equipment €	Fixtures, Fittings and Equipment €	Motor vehicles €	Total €
Cost					
At 1 January 2019	-	27,619	3,427	-	31,046
Additions	58,376	1,314	137,830	40,261	237,781
At 31 December 2019	58,376	28,933	141,257	40,261	268,827
Depreciation					
At 1 January 2019	-	20,020	2,056	-	22,076
Charge for the year	4,254	5,954	34,834	11,932	56,974
At 31 December 2019	4,254	25,974	36,890	11,932	79,050
Net book value					
At 31 December 2019	54,122	2,959	104,367	28,329	189,777
At 31 December 2018	-	7,599	1,371	-	8,970

14. DEBTORS

	2019 €	2018 €
Trade debtors	346,463	138,489
Amounts owed by connected parties (Note 20)	-	1,450
Prepayments	70,554	10,816
	417,017	150,755

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

15. CREDITORS		
Amounts falling due within one year	2019	2018
	€	€
Trade creditors	50,655	24,766
Taxation and social security costs	49,445	32,337
FEAD Deferred Income	23,370	-
Deferred income	446,227	258,536
Accruals	54,755	40,601
	<u>624,452</u>	<u>356,240</u>

16. STATE FUNDING

Pobal

Community Services Programme

Revenue grant funding was received from Pobal under the Community Services Programme, to cover the pay and general administration of certain staff members. This funding is specifically restricted for this purpose and is dependent on the organisation maintaining the staff numbers as set out in the grant agreements.

The funding is also dependent on the organisation maintaining valid Tax Clearance and the company has complied in full with this criteria.

The company has not received any Capital Grants under this programme.

The total amount per the financial statements for the year ended 31 December 2019 is €178,198

Department of Employment, Affairs and Social Protection

FEAD Product Income

Foodcloud the delivery partner for the nationwide availability of the food element of the FEAD Programme in Ireland.

FEAD Product Income is specifically restricted to payments to suppliers for FEAD product delivered to Foodcloud.

100% of the income received for FEAD Product is used to purchase product which is delivered to the Foodcloud warehouses and collected by the charities.

The total amount per the financial statements for the year ended 31 December 2019 is €1,894,748

Department of Employment, Affairs and Social Protection

FEAD Operational Income

FEAD Operational Income is provided to cover the costs of delivering the food element of the FEAD Programme in Ireland and relate to project coordination, procurement, storage and associated costs.

The total amount per the financial statements for the year ended 31 December 2019 is €250,757.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

17. RESERVES

	2019 €	2018 €
At 1 January 2019	1,087,792	590,419
Profit for the year	189,049	497,373
Transfer following merger with Foodcloud Hubs	1,024,650	-
At 31 December 2019	<u>2,301,491</u>	<u>1,087,792</u>

18. FUNDS

18.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds €	Total Funds €
At 1 January 2018	590,419	590,419
Movement during the financial year	497,373	497,373
At 31 December 2018	1,087,792	1,087,792
Movement during the financial year	1,213,699	1,213,699
At 31 December 2019	<u>2,301,491</u>	<u>2,301,491</u>

18.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2019 €	Income €	Expenditure €	Transfers between funds €	Other movements €	Balance 31 December 2019 €
Restricted Funds	-	2,427,152	(2,427,152)	-	-	-
Unrestricted income						
Unrestrictive	*260,000	584,000	(584,000)	(160,000)	-	**100,000
Funds- Designated						
Unrestrictive	827,792	1,817,393	(1,628,344)	160,000	1,024,650	2,201,491
Funds- General						
	<u>1,087,792</u>	<u>2,401,393</u>	<u>(2,212,344)</u>	<u>-</u>	<u>1,024,650</u>	<u>2,301,491</u>
Total funds	<u>1,087,792</u>	<u>4,828,545</u>	<u>(4,639,496)</u>	<u>-</u>	<u>1,024,650</u>	<u>2,301,491</u>

*At 31 December 2018 the board has designated funds of €260,000 to the upgrade of the Foodcloud donation platform.

**At 31 December 2019 the board has designated funds of €100,000 to provide additional resources to maintain services during the Covid-19 crisis.

18.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use €	Current assets €	Current liabilities €	Total €
Restricted funds	-	141,153	(141,153)	-
Unrestricted general funds	189,777	2,595,013	(483,299)	2,301,491
	<u>189,777</u>	<u>2,736,166</u>	<u>(624,452)</u>	<u>2,301,491</u>

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

19. STATUS

The company is limited by guarantee not having a share capital.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 1.

20. RELATED PARTY TRANSACTIONS

As permitted by the Companies Act 1990 the company had transactions with other connected parties. The following amounts are receivable at the year end:

	Balance 2019 €	Movement in year €	Balance 2018 €	Maximum in year €
FoodCloud Hubs CLG	-	(1,450)	1,450	1,450

Foodcloud was a charity under common directorship with Foodcloud Hubs Company Limited by Guarantee. During the year ended 31 December 2019, the following was transacted between both companies:

1. Foodcloud crosscharged expenses to Foodcloud Hubs CLG in the amount of €11,424.
 2. Foodcloud invoiced Foodcloud Hubs CLG for shared resources which represents 50% of the salary and pension costs for a) Food Safety, b) Communications & Marketing, and c) Finance & Governance provided during the year in the amount of €68,551.
 3. Foodcloud Hubs CLG paid Foodcloud for shared resources provided in the year in the amount of €56,025.
 4. Foodcloud Hubs CLG charged Foodcloud for shared resources provided during the year in the amount of €25,400.
 5. On 1 July 2019, the assets and liabilities of Foodcloud Hubs were introduced into the accounts of Foodcloud via reserves totalling €1,024,650.
- At the balance sheet date €Nil (2018: €1,450) remained owing by Foodcloud Hubs CLG and is disclosed in Debtors as amounts owed by connected parties.
- This is a trading balance payable on demand.

In the opinion of the directors these amounts arise in the ordinary course of business and the terms of the amounts due are in accordance with the terms ordinarily offered by the company.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

21. FEAD PRODUCT AND OPERATIONAL INCOME

Since 1 July 2019, Foodcloud is the delivery partner for the nationwide availability of the food element of the FEAD Programme in Ireland (Fund for European Aid to the most Deprived). FoodCloud is responsible for the procurement, storage and coordination by charities of the FEAD product for this programme.

FoodCloud receives grant funding for:

(i) FEAD Product Income, the use of which funding is specifically restricted to payments to suppliers for FEAD product delivered to FoodCloud and which is accounted for as Income- FEAD Product grant income. During the year an amount of €1,917,551 was received of which €1,894,748 was utilised for FEAD products purchases. The balance of €22,803 is recognised as deferred income. (Note 15)

100% of the income received for FEAD Product is used to purchase product which is delivered to the FoodCloud warehouses and collected by the charities.

(ii) FEAD Operational Income, the use of which funding is to cover the costs of delivering the food element of the FEAD Programme in Ireland and relate to project coordination, procurement, storage and associated costs.

During the year the following movements occurred:

FEAD Operational Income	€250,757
Monies received in H1 2019 for H2 2019	€13,497
Deferred Income (Note 15)	€567

22. CASH AND CASH EQUIVALENTS

	2019 €	2018 €
Cash and bank balances	<u>2,319,149</u>	<u>1,284,307</u>

23. PENSION

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €46,921 (2018: €11,188).

24. POST-BALANCE SHEET EVENTS

The Covid-19 pandemic is a local and global challenge that has resulted in a significant increase in demand for food products from charities who are supporting those in need. FoodCloud is responding as follows:

- Introduced daily virtual meetings of the senior management team to prioritise and manage our response and mitigate risks during the crisis.
- Changed our ways of working to meet HSE social distancing guidelines. This has necessitated hiring four additional warehouse operatives from April 2020, the introduction of shift work across our hubs in Dublin, Cork and Galway and the temporary redeployment of 5 team members to our support team who are set up to work remotely.
- Working with our food partners to encourage larger and consistent food donations, with a focus on ambient stock, so that FoodCloud has increased quantities of food available to distribute to our community partners and meet the growing need through new community partnerships nationally.
- Launched a funding appeal at the end of March, to contribute to the increased costs of working and to supporting our new and existing community partners.

FoodCloud is committed to managing operational risks and to continuing the delivery of essential services while adhering to HSE guidelines for the duration of the Covid-19 crisis.

25. DONATED GOODS AND SERVICES AND ASSETS

FoodCloud receives pro-bono support from a number of services providers, mainly surplus food provided by food producers, retailers and distributors for re-distribution to charities.

During the year Tesco donated Vans to the value of €17,500 (2018: €0). The Social Innovation Fund of Ireland provided non financial support of €50,529 (2018: €31,932).

26. ULTIMATE CONTROLLING PARTY

The charity is ultimately controlled by the Board of Directors.

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 8 April 2020.



FOODCLOUD

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOT COVERED BY THE REPORT OF THE AUDITORS

FoodCloud**SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
OPERATING STATEMENT**

for the year ended 31 December 2019

	Schedule	2019 €	2018 €
Income		4,828,545	2,141,917
Cost of generating funds	1	(1,894,748)	-
Gross surplus		<u>2,933,797</u>	<u>2,141,917</u>
Charitable activities and other expenses	2	(2,744,748)	(1,644,544)
Net surplus		<u>189,049</u>	<u>497,373</u>

FoodCloud

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS SCHEDULE 1 : COST OF GENERATING FUNDS

for the year ended 31 December 2019

	2019 €	2018 €
Cost of Generating Funds		
FEAD Product purchases	1,894,748	-
	<u>1,894,748</u>	<u>-</u>

FoodCloud**SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
SCHEDULE 2 : CHARITABLE ACTIVITIES AND OTHER EXPENSES**

for the year ended 31 December 2019

	2019 €	2018 €
Expenses		
Wages and salaries	1,595,886	1,165,551
Social security costs	171,509	120,003
Staff defined contribution pension costs	46,921	11,188
Facilities	164,199	19,601
Communications and IT costs	407,988	109,445
Transport costs	36,508	-
Administrative Costs	74,966	53,617
Marketing and Branding	37,645	26,605
Shared Resources	21,100	15,600
Travel Expenses	65,151	48,890
Professional Fees (Note 1)	65,901	64,162
Depreciation	56,974	9,882
	2,744,748	1,644,544
Note 1	2019	2018
Professional Fees	€	€
Recruitment Fees	18,828	6,415
Legal Fees	7,800	16,037
Audit Fees	8,200	5,904
Payroll Bureau Fees	5,197	3,690
Consultancy Fees	24,646	12,100
Agency Staff	1,230	20,016
Total	65,901	64,162