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FoodCloud

Annual Report and Audited Financial Statements

for the financial year ended 31 December 2020

FoodCloud

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FoodCloud

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Ann Keenan (Appointed Chair 16 December 2020) Niamh Bushnell Suzanne Delaney (Resigned 30 April 2020) John Dunphy (Chair until 16 December 2020) Ciaran Foley Colum Gibson Joseph Hogan Eoin MacCuirc Colman O'Keeffe Declan Francis Ryan (Appointed Vice Chair on 16 December 2020)
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 D24 CD32
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 financial year ended 31 December 2020

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2020.

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 2020.

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.

Context, Mission & Vision

The Issue of Food Waste

Globally, over 30% of food is wasted resulting in 8% of GHG Emissions. Reducing Food Waste is the single most important action we can take to reverse global warming (Project Drawdown). Currently, 2bn people face moderate or severe food insecurity globally (FAO, SOFI Report 2020) and we need 56% more food to feed our growing population by 2050.

Food loss and waste has many negative economic and environmental impacts. There's a growing awareness of food waste within the food industry, and the need for a sustainable food system. Food waste generates unnecessary greenhouse gas emissions and wastes both water and land, negatively impacting natural ecosystems.

About FoodCloud

FoodCloud is a not for profit social enterprise working to tackle the twin issues of food waste and food security. We do this by redistributing surplus food from the food industry to a network of charity and community partners.

In Ireland, FoodCloud offers two services to redistribute surplus food to a network of over 700 community groups across Ireland:

1. Through our technology platform that connects over 500 supermarkets with surplus or excess food directly to local community groups. The donation management system allows retailers to simply upload details of excess food to the platform and local community groups are notified to come and collect it on a daily basis.
2. Through three warehouses that redistributes large quantities of surplus food from the supply chain to our network of community groups all over Ireland.

In the UK, FoodCloud works in partnership with Food Redistribution NGO FareShare, to connect over 2,900 stores directly with over 7,000 local charities across the country. The FoodCloud technology is now also being used across multiple food banks worldwide including Australia, Poland, Slovakia, and the Czech Republic.

FoodCloud are committed to supporting the global achievement of Sustainable Development Goal (SDG) 12.3 "By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses." and SDG 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture"

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 and scaled nationally and globally.

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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.

FoodCloud's Mission, Vision and Values

Our Vision: A world where no good food goes to waste

Our Mission: To transform surplus food into opportunities to make the world a kinder place.

We will achieve our main mission by achieving our mini missions:

- Redistribute surplus food, thereby reducing food waste
- Create opportunities for social inclusion through this redistributed food
- Inspire communities to take local action, the ripple effect of which will result in global change

Our Values:

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 use data and technology to create a world with less waste and more heart.

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 need to inspire volunteers, spark a generosity in retailers and food businesses and empower charities.

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.

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for the financial year ended 31 December 2020

Overview of Services, Structure, and Management

Services

FoodCloud Retail: FoodCloud enables retailers to donate their surplus food directly to local community groups through their technology platform and a managed service, comprising access to online and phone support, data and reporting. This includes providing support (via a contact center) 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 also required to cover the remainder of the costs. FoodCloud supports an increase in social inclusion by providing community groups 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.

FoodCloud's Hubs: FoodCloud has three surplus food redistribution Hubs in Ireland, located in Cork, Dublin and Galway. 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. FoodCloud introduced a membership model in October 2020, where charities pay a recurring monthly contribution to the cost of operating and resourcing the three warehouses. There are a number of membership options and charities are able to access various volumes of food at a cost that is suitable for their needs. Fundraising is also required to cover the remainder of the FoodCloud Hubs' costs.

FEAD: FoodCloud is the partner organisation for the nationwide availability of the food element of the FEAD Programme in Ireland. FEAD is an EU-wide initiative to help people take their first steps out of poverty and social exclusion. FEAD Ireland is funded by some €22m of European funding and €4m of Irish exchequer funding totaling some €26.7m for the period 2014-2020. 65% of available resources are applied to the provision of food, and 35% to the provision of basic material assistance. The focus of the FEAD national food operation is on those on the margins of society in need of essential food support. FEAD ensures a reliable supply of food to the charitable sector over the life of the programme. FoodCloud were paid an annual service administration fee of €392,157 by The DEASP for the management of the programme for the year ended 31 December 2020.

Donation Management Technology Platform: FoodCloud's technology platform is currently being used by food banks and retailers 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. This activity is funded through a contribution from international retailers and food bank partners alongside fundraising activities.

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

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 Growth Fund Ireland Company Limited by Guarantee (T/A Rethink Ireland) 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 result for the year ended 31 December 2019 include the activities of FoodCloud Hubs post-merger, therefore the comparative figures for 2019 only include income and expenditure for H2 2019 and consequently the 2020 and 2019 financials are not directly comparable.

FoodCloud's structure consists of six 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. Responsible for key partnerships, revenue, food distributed, 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 & Organisational Development:** 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 distributed, delivery of programmes and compliance. Responsible for improving processes and implementing new systems and ways of working across the organisation including, data, reporting and business analytics.
- **Technology & Engineering:** Responsible for the development, maintenance and support of FoodCloud's technology platform. This includes working with the wider FoodCloud team and all partners to ensure the continuous improvement of our technology, increasing our impact and making it easier for organisations to redistribute food.
- **Finance & Governance:** Responsible for finance, HR, and governance, including all grants, FEAD and office management.
- **Marketing and Communications:** Responsible for communications (internal and external) and marketing to support the strategic objectives. This includes supporting fundraising and partner offering and activities.

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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 six members report to the Chief Executive Officer; the Finance Director, Head of Communications, Head of Engineering, Operations Development Director, International Partnerships Director and Partnerships Director. The management team is supported by a team of 59 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 every 6 weeks through a detailed board pack and presentation.

FoodCloud Covid-19 Impact Report

Introduction

Covid-19 brought significant challenges for Food Banking operations globally. From extreme peaks and troughs in the supply of food, limited volunteers and restrictive Covid-19 work practices, FoodCloud experienced some of our highest and lowest volumes of food this year amid panic buying and the closure of the hospitality sector.

When the pandemic hit, the need for food support dramatically increased and we had a responsibility to make sure that those who suddenly found themselves in very challenging situations were supported within their local communities.

Our immediate focus was on ensuring we could continue to operate our food redistribution services for our network of 700+ charities and community groups across Ireland, distributing the equivalent of 160,000 meals weekly, and for our UK partner, FareShare, supporting a network of 8,000+ organisations. This work also included the continued distribution of the EU's food aid programme FEAD.

We stepped up our operations to supply an increasing number of organisations distributing food to support the ever-changing needs of individual communities across Ireland, in particular supporting families whose children normally get free school meals, the elderly, people with underlying health conditions and those who needed to self-isolate.

During the peak of the pandemic in April and May, FoodCloud in Ireland more than doubled the amount of food redistributed from an average of 30 tonnes per week in February to over 60 tonnes per week.

Covid-19 Impact: Demand for Food from Community Partners

Demand from our community partners doubled in Q2 and Q3 to 55-60 tonnes weekly. Research carried out among some of FoodCloud's community partners in July 2020 found 70% of respondents indicated an increase in demand for food as a result of Covid-19. The research found that

Of respondents:

49% - Saw an increase in Over 65's looking for food

36% - Saw an increase in Single Parents looking for food

30% - Saw an increase in People with Mental Health Concerns looking for support.

During the pandemic response there was an immediate shift in the food categories most sought after by our community partners. This was due to the changing means by which food was being distributed by our charity partners to their service users. Food parcels became an extremely important means of getting food to vulnerable groups, especially during the lockdown as large community kitchens were closed or at reduced capacity. This led to a huge increase in demand for long life ambient products such as tinned goods, breakfast cereals, cooking sauces and hot drinks. These products are not frequently donated as surplus and therefore the need to appeal to the food industry for non-surplus in these core categories was key in allowing us to maintain a consistent supply for our community partners.

Covid-19 Impact: Loss of Income

As our network of charities and community partners faced volatility in their own fundraising efforts we waived the charity contribution paid to access the Hubs service. We estimated the total loss in income of €156,314 as a result of Covid-19 with €121,171 related to this five month waiver period (May - Sep inclusive). In October, we introduced a new membership model for our community partners where they pay a recurring monthly contribution, to the cost of operating and resourcing the three warehouses, that is based on their needs.

Covid-19 Impact: Operational continuity planning and preparedness

- Our office based colleagues, 65% of the organisation, have worked from home since mid-March.
- From March - May we introduced split shifts to further ensure continuity of our operations as we implemented all of the safety protocols and equipment and sourced PPE. We had to pause all volunteering in our warehouses and saw a drastic reduction in regular volunteers that support driving and other work due to their need to cocoon / isolate. This impact was substantial as volunteers are key to our operations, supporting 25%-30% of work pre Covid-19. Combined, we operated with 40% less resources from March - May, at a time when the demands on our services had more than doubled.
- Since June, by implementing further thorough Covid-19 working restrictions we have since been able to allow warehouse colleagues to work as a full day operation. We have also been able to reintroduce volunteering at

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a small scale. We have worked closely with our health & safety advisors to keep all colleagues, community groups and visitors safe.

- We have introduced 7 fixed term contract colleagues to our warehouse operations and even with these new colleagues and volunteering returning at a small scale our net resources are approximately down 10-15%.
- With more food reaching us and larger volumes being distributed to each community partner, naturally our running costs increased. The cost of collecting food, with our own fleet or through partners, and delivery costs have increased in line with the increased volumes. We have been supported by a number of partners including logistics providers providing pro bono services and warehousing partners who have provided contingency space free of charge when we experienced large volumes of stock. We also made the decision to double our transport budget for 2020.

Covid-19 Impact: Increase in Resources and Costs

Once the significant challenges presented by Covid-19 emerged at the end of March 2020, FoodCloud recruited additional resources to enable it to respond to the increase in demand across its services. Monthly payroll costs increased from an average of €199,000 in Q1 to an average of €234,000 over the nine months in Q2 - Q4 2020, an average increase of 18% per month. Headcount increased by an average of 19% across the same period.

The increased resources enabled FoodCloud to grow our impact year on year in terms of tonnes of food redistributed across its services as follows:

- | | |
|---|-------------|
| • FoodCloud Hubs Ireland: | +77% |
| • FoodCloud Retail Ireland: | +10% |
| • Donation Technology Platform International: | +39% |
| • All Services and Markets | +34% |

The increased cost of resources and new ways of working in response to the Covid-19 pandemic was met by increased fundraising, delivering increased impact of 34% from an increase in resources of 18%.

Covid-19 Emergency Appeal

The increased demand for food from our communities and the increased operating costs were supported by funds and food raised through an Emergency Appeal launched in March. This resulted in a 30% increase in the number of food industry partners that FoodCloud worked with in 2020. In addition, some of our existing food industry partners provided surplus stock as well as donated non surplus stock. We also raised €902,687 in additional funding to meet the increase in operating costs in 2020 and into 2021 as the Covid-19 pandemic continues to result in national restrictions and impacts our communities.

We are incredibly grateful to all the individuals, companies and foundations who supported through donations of food and funding and has enabled FoodCloud to respond to the dramatic increase in demand for its services in 2020 and continue to have this impact in 2021.

Covid-19 Impact: 2020 Timeline

March 2020:

- In early March, we introduced split shifts and social distancing in our warehouses in Dublin, Cork and Galway.
- We immediately implemented Covid-19 guidelines across 3 warehouses including physical distancing, additional cleaning processes, and full traceability of contacts / visitors.
- We took on 7 additional warehouse operatives to allow for longer working days and the reduction in volunteers.
- We increased capacity on our support team by redeploying people from other projects as they set up to work entirely remotely, ensuring we could manage the significant increase in calls from our community partners.
- To understand the needs of our community partners, we conducted and continue to conduct regular surveys to understand the immediate impact of the lockdown on their operations.
- Of the 676 community partners contacted across Ireland on the 20th March 2020, the following responses were received:
 - 208 indicated that they had closed their services
 - 91 indicated that they had reduced their services
 - 176 indicated they were staying open
- Of the 267 who indicated that they were saying open:
 - 114 indicated a need for additional food
 - 65 were open to accepting referrals of vulnerable families and individuals who needed support.
- On the 26th of March we launched an urgent Covid-19 emergency food and funding appeal to meet the demand from communities for our services. The appeal targeted food industry, corporates and foundations for:
 - Donations of long-life ambient food products and essential items for hampers that can be delivered directly to people's homes.
 - Funding to support additional food, transport and logistics costs.
 - Funding to support increased operational costs in our warehouses.

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April 2020:

We established **32 new strategic partnerships** nationally to support the Government led Community Call initiative with community organisations that were best placed to identify local needs and manage logistics in the local authority area. This involved working closely with Local Development Companies, where a new infrastructure of **17 new food hubs have been set up in 15 counties across Ireland.**

- Due to the level of calls and contact from individuals for food support, we created an online map Community FoodLink, and set up a dedicated phone line to support the organisations facilitating the community response across Ireland. <https://food.cloud/communityfoodlink/>

We doubled our national transport capacity through the addition of four new vans to our fleet and increased our expenditure on third party logistics.

The Hubs service distributed 128 tonnes - more than double the volume compared to the same period in 2019, to charities and community groups across Ireland. At the same time, the surplus donations through our Retail service in Ireland plummeted, driven by the impact of consumer buying patterns and the impact of Covid-19 on in store operations. In late March and early April, volumes redistributed by retail reduced by 40% from pre Covid-19 levels and remained below pre Covid-19 levels for the next 10 weeks.

We worked closely with retail and community partners throughout the year to eventually grow the amount of food redistributed from stores year on year.

May – June 2020:

As our network of charities and community organisations faced volatility in their own fundraising efforts and increases in demand for food, we waived our charity contribution from May to September 2020 inclusive.

Early to mid-summer, saw some of the highest ever volumes distributed by FoodCloud in Ireland. 326 tonnes of food reached charities in June, 80 tonnes per week. This was due to record volumes of food donated to the Hubs as a result of continued trading uncertainty and contingency stock which was now surplus due to the delays of BREXIT in Q1.

July - August 2020:

We conducted and continue to conduct regular surveys with our network of community and food industry partners to understand current and anticipated demand for food in communities across Ireland and the potential supply to meet it.

September 2020:

In September, we launched a collaborative '**Food For Ireland**' retailer initiative where retailers supported the growing demand within our hubs, by donating non surplus products. The initiative saw FoodCloud partner with our key retail partners on a targeted consumer PR and media campaign to donate non perishable goods within their local retailer over a weekend in the autumn. The campaign also resulted in over 100,000 meals donated by consumers.

October - November 2020:

During Q4 both Retail and Hubs services were providing a consistently high level of service for charities, distributing a combined weekly average of 61 tonnes of food each week. Volumes through the 3 Hubs had dropped from the peaks seen in July and early August partly due to the uncertainty of the reopening of the hospitality sector in Ireland.

December 2020:

By December 2020, our three hubs distributed 77% more food than in 2019 to over 280 charities and community groups across Ireland.

On **Christmas Eve 2020, FoodCloud reached the milestone of 100 million meals** redistributed to over 10,500 community groups over the past seven years.

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Activities and Performance

Activities and Performance Ireland

In Ireland, we have two national services for food redistribution, FoodCloud Hubs (a network of three food redistribution hubs located in Dublin, Cork and Galway) and FoodCloud Retail (our technology platform that connects food businesses directly to local charities).

Our impact for each service is detailed below;

FoodCloud Retail:

In 2020 FoodCloud worked with Aldi, Dunnes, Lidl, Musgrave MarketPlace and Tesco in Ireland and redistributed 1,285 tonnes of surplus food to 544 community groups. This is the equivalent of approximately 3.1m meals. Preventing this surplus food going to landfill, resulted in an equivalent reduction of approximately 4,112 tonnes of CO₂ emissions.

Ireland Retail	2020	2019	YoY%
Food Distributed (Tonnes)	1,285	1,171	10%
Meals (Millions)	3.1	2.8	10%
Value (Millions - Euro)	€3.9	€3.5	10%
CO ₂ Saved (Tonnes)	4,112	3,747	10%
Community Groups Supported	544	584	-7%

FoodCloud Hubs:

In 2020 FoodCloud Hubs redistributed 1,737 tonnes of food. This was an increase of 77% on impact in 2019. Food was redistributed to 281 community groups. To help meet the demand for food, for the first time FoodCloud worked with food industry partners to distribute donated stock (non surplus) from the supply chain. Of the 1,737 tonnes of food 99 tonnes was donated, 26 tonnes from in store appeals and 73 tonnes donated from supply chain partners.

FoodCloud worked closely with food partners from across the industry. From agriculture through production and manufacturing to distribution, 190 food donors including more than 80 new donors redistributed food through FoodCloud Hubs in 2020. Partners of all sizes supported in 2020 including Aldi, BWG, Coca Cola, Danone, Country Crest, Fyffes, Glanbia, Hilton, Iverks, Kelloggs, Lidl, Mars, Meade Potato Company, Musgrave, Nestle, Pallas Foods, Tesco, Total Produce and many more.

As detailed, FoodCloud and FoodCloud Hubs merged into FoodCloud in July 2019. The impact achieved by FoodCloud Hubs in the first half of 2019, 435 tonnes, was recorded and reported through the "FoodCloud Hubs Annual Report" ([link](#)). The impact achieved through our three Hubs for the 6 months ended 31 December 2019 was 548 tonnes of food redistributed.

Ireland Hubs - Cork, Dublin & Galway	2020	2019	YoY%	Post 2019 Merger
Food Distributed (Tonnes)	1,737	983	77%	548
Meals (Millions)	4.1	2.3	77%	1.3
Value (Millions - Euro)	€5.2	€2.9	77%	€1.6
CO ₂ Saved (Tonnes)	5,558	3,146	77%	1,751
Charity Groups	281	235	20%	235
Donors	190	107	78%	107
Volunteer Opportunities	433	573	-24%	573
Volunteer Opportunities - Hours	1,800	3,400	-47%	3,400

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FEAD Programme:

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 arrange the onward collection of FEAD products to eligible charities.

During the year ended 31 December 2020 we procured €3,720,012 (2019 H2: €1,894,748) worth of FEAD products. This resulted in the collection of 1,318 (2019 H2: 652) tonnes of food by a network of over 150 eligible charities across 25 counties.

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.

Internationally, our partners redistributed 24.0 million meals this year through our technology platform. This is a 39% increase, compared to 2019 volumes.

International	2020	2019	%
Tonnes Distributed	10,094	7,259	39%
Meals (Millions)	24.0	17.3	39%
Value (Millions - Euro)	€30.3	€21.8	39%
CO ₂ Saved (Tonnes)	32,301	23,229	39%

The impact above was achieved in established partnerships in the UK and through further expansion and new partnerships in Australia and Central Europe.

In the UK, FoodCloud working in partnership with FareShare redistributed 9,770 tonnes in 2020, an increase of 40% on 2019 impact. This is the equivalent of 23.2m meals and resulted in an equivalent reduction of approximately 31,264 tonnes of CO₂ emissions.

Redistribution with partners in **Australia** increased 182% on 2019, with 166 tonnes redistributed in 2020. Impact in Central Europe also grew steadily towards a wider expansion in 2021. In 2020, 156 tonnes was redistributed in **Central Europe**, an increase of 51% on 2019. FoodCloud discontinued our work in Poland in 2020 as Tesco sold their stores in this market, we continue our work with Tesco CE in the Czech Republic and Slovakia.

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. FoodCloud worked closely with our FEBA network members on crisis planning during the early weeks of the pandemic to understand the impacts of supply chain shocks alongside the demands of communities for food across Europe and how each market responded.

Employment Creation

FoodCloud had an average headcount during the year ended 31 December of 66 (FTE 61.2) as against 54 (FTE 51.8) in H2 2019 post merger.

FoodCloud also 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. During the year ended 31 December 2020, FoodCloud also provided 22 (2019: 16) TUS and Community Employment (CE) placements.

Maintaining Growth into 2021

Our biggest challenge in 2021 will be maintaining the volume of food we distributed in 2020 and further growing volumes of food as 65% of our community partners expect to see an increase in the demand for food with the cessation of the Pandemic Unemployment Payment. We are working closely with our food industry partners to understand how we can support this increased demand for food and working internally to determine the most efficient business solutions to deliver these key services.

In Ireland, we are committed to supporting our network of over 700 community groups. They provide essential support

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to those who are most vulnerable in our communities across Ireland. The period 2021-2023 will prove to be some 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. We need to continue to deliver and grow the volumes of food redistributed to meet the need for food provision through our charity partners in 2021 and beyond.

Governance

FoodCloud is governed by a **Board of Directors of nine members (seven men and two women)** who are responsible for providing leadership, setting strategy and ensuring control through operational and financial oversight. At the AGM, those Board Members who have served a three-year term shall retire from office. All retiring Board Members shall be eligible for re-election, provided that no Board Member shall serve for more than 2 consecutive terms of 3 years (but a Board Member could serve as a Board Member for more than 2 terms provided they did not serve more than 2 consecutive terms).

The Board of Directors is committed to maintaining high standards of corporate governance and FoodCloud complies 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 and complies with the **Statement for Guiding Principles for Fundraising**. The Guidelines are reviewed annually.
- 3) The Board of FoodCloud has declared its intent to comply with **The Charities Regulator Charities Governance Code** and conducted a review of the requirements during 2020. The Board are satisfied that the standards associated with the six principles of governance as specified in the voluntary code have been met and that FoodCloud meets the timelines noted by the Charity Regulator.

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. The Board met eight times during the year, with an average attendance of 79% over the year.

Board Member	Attendance	Percentage
Ann Keenan	7/8	88%
Ciaran Foley	5/8	63%
Colman O'Keeffe	7/8	88%
Colum Gibson	6/8	75%
Declan Francis Ryan	2/8	25%
Eoin MacCuirc	8/8	100%
Jack Dunphy	7/8	88%
Joseph Hogan	8/8	100%
Niamh Bushnell	5/8	63%
Suzanne Delaney	2/2	100%
Overall Average Attendance		79%

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

The Board gives their time to FoodCloud on a voluntary basis and receives no remuneration. Out-of-pocket expenses may be reimbursed; however, none were claimed during 2020. 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 Ms. Suzanne Delaney for her significant contribution at board level for the last 4 years. Suzanne joined the FoodCloud executive team in May 2020.

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:

- 1) the Risk, Strategy and Governance Committee**
 - a. Members: J. Hogan (Chair), C. Foley, E. MacCuirc and C. O'Keeffe
 - b. Number of meetings during the year: 2.
 - c. Average attendance: 100%
- 2) the Audit and Finance Committee**
 - a. Members: C. O'Keeffe (Chair), J. Dunphy, E. MacCuirc
 - b. Number of meetings during the year: 12.
 - c. Average attendance: 89%
- 3) the Remuneration Committee**
 - a. Members: A. Keenan (Chair), J. Dunphy, N. Bushnell
 - b. Number of meetings during the year: 2.
 - c. Average attendance: 100%

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

Going Concern At 31 December 2020 FoodCloud had Total Net Assets of €3,057,722 (2019: €2,301,491). Based on the results for the year, the Balance Sheet position at 31 December and the Board approved Budget 2021-2023, the Board of Directors conclude that FoodCloud has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adapt the going concern basis in preparing the financial statements.

As outlined previously, 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 €756,231 (2019: €189,049). Note that due to the timing of the merger with FoodCloud Hubs on 01 July 2019, that the comparative figures for 2019 only include income and expenditure for H2 2019 in respect of the FoodCloud Hubs activities and consequently the 2020 and 2019 are not directly comparable.

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

- Total income amounted to €8,424,940 (2019: €4,828,545) and is broken down as follows:
 - Income from the FEAD Programme was €3,720,012 (2019: €1,894,748). (Restricted funds specifically for the purchase of FEAD Product - Refer to direct expenditure below).
 - FEAD Administration Income was €392,157 (2019: €250,757). (Income is to cover the costs of warehousing and administering the FEAD Programme).
 - Operational Income from FoodCloud's Hub Operations was €216,033 (2019: €153,744).
 - Operational Income from FoodCloud's Retail Service and Technology Platform was €1,483,936 (2019: €1,532,363).
 - Income from grants and donations was €2,479,336 (2019: €878,349) that split as follows:
 - Covid-19 funds raised €902,687 (2019: €0)
 - Social Innovation Growth Fund Ireland Company Limited by Guarantee (T/A Rethink Ireland) €706,000 (2019: €584,000)
 - Community Services Programme (CSP) €356,396 (2019: €178,198)
 - Other grants and donations €514,253 (2019: €116,151).
 - Other Income including Corporate Volunteer Programme €133,466 (2019: €128,510) this includes Shared Resources provided to FoodCloud Hubs pre-merger).
- Direct expenditure related to the purchase of food products €3,770,185 (2019: €1,894,748) breaks down as follows:
 - FEAD Programme €3,720,012 (2019: €1,894,748)
 - Other food products procured €50,173 (2019: €0).
- Overhead expenditure for the year ended 31 December 2020 was €3,898,522 (2019: €2,744,748).
 - Payroll costs of €2,700,477 (2019: €1,814,316) represented 69% of overhead costs for the year ended 31 December 2020, (2019: 66%).
 - Facility Costs of €372,871 (2019: €164,197)
 - Other overhead costs of €825,174 (2019: €766,235).
- The financial results for the year ended 31 December 2020 are shown in the Statement of Financial Activities on page 24.

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 700+ community groups in Ireland and supports a significant number of charitable organisations 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 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 Growth Fund Ireland Company Limited by Guarantee (T/A Rethink Ireland) and (d) AIB; the combined contribution to overheads from these organisations for 2020 is €1.6 million. Funding from three of the above organisations has been confirmed for 2021.

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, in light of Covid-19 and other considerations, should aim to hold general reserves, of a minimum of 26 weeks of committed expenditure. Pobal's good practice recommends 13+ weeks.

Total reserves at the end of 2020 are €3,057,772 (2019: €2,301,491). **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 €500,000 (2019: €100,000) from general reserves at the end of 2020 to enable FoodCloud to continue to respond to the Covid-19 pandemic by:

- Retaining additional headcount in H1 2021 to assist us in delivering a safer working environment through socially distanced ways of working in the three hubs,
- Targeting increased food donations to grow volumes of food being redistributed,
- Meet increased costs of working during the pandemic.

Based on the results for the year ended 31st December 2020, FoodCloud held reserves (after designated funds of €500,000) of 26 weeks (2019: 30 weeks).

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

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. FoodCloud employs a suitably qualified Food Safety Manager who develops and updates our food safety guidelines. FoodCloud engages the services of an external firm of safety consultants to conduct an annual review of each of the hubs. H&S training is provided to all employees. In addition to the annual review the firm of safety consultants were also engaged to provide additional guidance to FoodCloud on additional safety measures to introduce in the workplace in response to the Covid-19 pandemic.

In March 2020, the Covid-19 virus was declared a global pandemic. The pandemic has proved challenging during 2020 and will continue to be a challenge during most if not all of 2021 and beyond. The vaccination programme provides light at the end of the tunnel but it is impossible to say how long we need to live with this pandemic. The directors have monitored the effects and anticipated effects of the pandemic on the organisation's activities and finances and on the appropriateness of the use of the going concern basis. While the pandemic continues, it is difficult at this time, to estimate the full extent and duration of the business and economic impact of the challenges and uncertainties presented by Covid-19. During 2020, the Senior Management Team (met daily in March & April and a minimum of twice weekly since), the Audit and Finance Committee (met 12 times) and the Board (met 8 times) to monitor the impact and potential impact, and to manage the response of FoodCloud to the challenges, and how best to respond to the increased need imposed by the pandemic. FoodCloud responded promptly, effectively as evidenced by the impact metrics earlier in this report but are not complacent about the ongoing challenges that remain.

The management team with the support of sub-committees and the Board will continue to monitor and evaluate how best to respond to the pandemic and other challenges.

No adjustments have been made to the financial statements (outside of the designation of €500,000 from reserves at 31 December 2020) as a result of these uncertainties.

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

Future Developments

In February 2021, based on the response of 245 Community Partners Charity Organisations:

- In July 2020 70% of respondents reported some or significant rise in demand for food in their areas, since July 60% of our partners have continued to see this increase in demand due to food insecurity.
- 67% of respondents expect that the level of demand for food in 2021 will continue to increase.

FoodCloud are committed to continuing to meet the needs of our communities in 2021, recognising the continued impact Covid-19 is having on the food security of individuals and families in our communities.

We are also focused on the recovery post Covid-19 and are committed to supporting the global achievement of Sustainable Development Goal (SDG) 12.3 *"By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses."* and SDG 2 *"End hunger, achieve food security and improved nutrition and promote sustainable agriculture"*. 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.

Our 2030 Vision

FoodCloud's activities will result in a less wasteful, more sustainable and globally connected food system that supports the food security and resilience of local communities supporting the overall global achievement of UN SDG 12.3 and UN SDG 2.

FoodCloud's Strategic Plan 2021 - 2023 outlines the steps that the organisation will take to achieve its goals over the next three years

2021 - 2023 Strategic Goals

Increase food distributed across the supply chain (15% YoY)	Enable food secure and resilient communities	Conduct Research, advocacy and government engagement
Continued growth and development of our existing services and to develop new solutions that will enhance our ability to work across the supply chain.	Enable food secure and resilient communities through enhanced food service for our network of charities, ensuring access to sufficient, affordable and nutritionally balanced food.	Continued input and engagement with the Irish Government and European Commission on Farm to Fork strategy, with a focus on implementation and action.

Working with international food banks we will:

Connect a global community of food redistribution organisations through our technology platform to support the reduction of food waste internationally

Increase food distributed across the supply chain

As a result of Covid-19 we have almost doubled the volume of food redistributed through our Hubs in 2020 in comparison to last year and plan to sustain and grow these volumes as part of our 2021-23 strategy.

- There is an increased need for food provision within communities to support those who have been impacted by Covid-19, with community organisations playing an essential role in supporting those who are vulnerable and at risk of social isolation.
- We also need to grow these volumes to ensure that Ireland is on track to halve food waste by 2030 and meet our commitments to achieving Sustainable Development Goal 12.3 and to reduce GHG emissions nationally.
- Our aim is to achieve a further 15% YoY growth in Ireland and to do this we need to invest in our core operations, and also in our technology and supply chain solutions. By 2023, we aim to redistribute 4,458 tonnes of surplus food, leading to over 14,000 tonnes of GHG emissions avoided. In addition, we will distribute almost 1,500 tonnes of FEAD product leading to a total of almost 14M meals equivalent being distributed to communities across Ireland annually.

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

Introducing technology across the supply chain

Following the merger of FoodCloud and FoodCloud Hubs in 2019, we have focused on developing a platform that can support food donations from across the food supply chain recognising that food donation must be embedded at every stage of the food system and the role that technology can play in enabling this.

- In 2021, FoodCloud will launch a technology that can coordinate regular and irregular small, medium and large food donations along the whole food system and our goal in Ireland is to implement this new platform across the supply chain to make donating food easier and more beneficial to food businesses from retail to farm. This will ultimately enable FoodCloud to further reduce food waste in Ireland by increasing access of local surplus food to charities and improving accessing food from our hubs through the platform.
- The expansion of this platform across the supply chain will be embedded in our plans to engage businesses at an agricultural level and also increase food donations at a local level through a Community Food Rescue project.

Reduce food waste and increase food rescued from Agricultural Sector

FoodCloud are working on a programme to unlock the less accessible surplus food within the agriculture and produce sector in Ireland. The programme aims to:

- Work with growers, packers and distributors to reduce waste and overcome the barriers they currently face in implementing new processes and the costs associated with donating from farms, increasing the nutritional balance of food available to charities.
- Facilitate effective methods of direct measurement of food waste for the first time. This is especially important as the sector will be required to satisfy the reporting requirements that are now stipulated in the 2019 EU Delegated act on Food Waste.
- Look to international initiatives (UK & US) where government programmes have been introduced to tackle the large quantities of high-quality food that is going to waste on farms.
- Our aim is to develop a proposal for the government to develop a programme that aligns with the Circular Economy and Farm to Fork strategy.

Reference and Administrative details

Directors and Secretary

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

Ann Keenan (**Appointed Chair on 16 December 2020**)

Niamh Bushnell

Suzanne Delaney (**Resigned 30 April 2020**)

John Dunphy (**Chair until 16 December 2020**)

Ciaran Foley

Colum Gibson

Joseph Hogan

Eoin MacCuirc

Colman O'Keeffe

Declan Francis Ryan (**Appointed Vice Chair on 16 December 2020**)

In accordance with the Constitution, the following directors retire by rotation:

- Ann Keenan
- Ciaran Foley
- John P Dunphy

and, being eligible, offer themselves for re-election.

The secretary who served throughout the financial 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)
- The Charities Regulator's Governance Code (The Governance code sets out the minimum standards you should meet to effectively manage and control your charity)

FoodCloud DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

Auditors

The auditors, O'Connor Pyne & Co. Limited, (Chartered Accountants) 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

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, 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

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 21 April 2021 and signed on its behalf by:

Ann Keenan (Chairperson)
Director

Eoin MacCuric
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2020

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 21 April 2021 and signed on its behalf by:

Ann Keenan (Chairperson)
Director

Eoin MacCuric
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 financial year ended 31 December 2020 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 2020 and of its surplus for the financial 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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:

- in our opinion, 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 20 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 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:

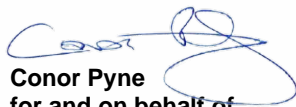
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.

21 April 2021

FoodCloud
STATEMENT OF FINANCIAL AFFAIRS
(Incorporating an Income and Expenditure Account)
for the financial year ended 31 December 2020

	Notes	Unrestricted Funds 2020 €	Designated Funds 2020 €	Restricted Funds 2020 €	Total Funds 2020 €	Total Funds 2019 €
Incoming Resources						
Charitable activities						
Income from Charitable activities	6.1	2,175,435	1,005,696	5,243,809	8,424,940	4,828,545
Resources Expended						
Raising funds	7.1	414	120,434	69,528	190,376	-
Charitable activities	7.2	1,350,903	953,149	5,174,281	7,478,333	4,639,496
Total Resources Expended		1,351,317	1,073,583	5,243,809	7,668,709	4,639,496
Net incoming/outgoing resources before transfers		824,118	(67,887)	-	756,231	189,049
Gross transfers between funds	19.2	(467,887)	467,887	-	-	-
Net movement in funds for the financial year		356,231	400,000	-	756,231	189,049
Reconciliation of funds						
Balances brought forward at 1 January 2020	19	2,201,491	100,000	-	2,301,491	2,112,442
Balances carried forward at 31 December 2020		2,557,722	500,000	-	3,057,722	2,301,491

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

Approved by the Board of Directors on 21 April 2021 and signed on its behalf by:

Ann Keenan (Chairperson)
Director

Eoin MacCuric
Director

FoodCloud

BALANCE SHEET

as at 31 December 2020

	Notes	2020 €	2019 €
Fixed Assets			
Tangible assets	13	278,222	189,777
Current Assets			
Stocks	14	595,466	-
Debtors	15	180,239	417,017
Cash at bank and in hand		3,723,973	2,319,149
		4,499,678	2,736,166
Creditors: Amounts falling due within one year	16	(1,720,178)	(624,452)
Net Current Assets		2,779,500	2,111,714
Total Assets less Current Liabilities		3,057,722	2,301,491
Funds			
Unrestricted designated funds		500,000	100,000
General fund (unrestricted)		2,557,722	2,201,491
Total funds	19	3,057,722	2,301,491

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 21 April 2021 and signed on its behalf by:

Ann Keenan (Chairperson)
Director

Eoin MacCuric
Director

FoodCloud
STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
Cash flows from operating activities			
Net movement in funds		756,231	189,049
Adjustments for:			
Depreciation		76,776	56,974
		<u>833,007</u>	<u>246,023</u>
Movements in working capital:			
Movement in stocks		(595,466)	-
Movement in debtors		236,778	(266,262)
Movement in creditors		1,095,726	268,212
		<u>1,570,045</u>	<u>247,973</u>
Cash flows from investing activities			
Payments to acquire tangible assets		(165,221)	(25,682)
		<u>1,404,824</u>	<u>222,291</u>
Net increase in cash and cash equivalents		2,319,149	1,284,307
Cash and cash equivalents at 1 January 2020		2,319,149	1,284,307
Net Cash and cash equivalents transferred from FoodCloud Hubs (1 July 2019)		-	812,551
		<u>3,723,973</u>	<u>2,319,149</u>
Cash and cash equivalents at 31 December 2020	22	3,723,973	2,319,149

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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. SUMMARY OF SIGNIFICANT 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 2020 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.

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.

Restricted 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.

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.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

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.

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 & 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.

Stock

FEAD Stocks are valued at cost. These stocks are purchased and warehoused by FoodCloud for the Department of Employment Affairs and Social Protection (DEASP) and held for collection by DEASP approved charities. Prior to the year end, it was not possible to predict what impact the uncertainties around BREXIT would have on the supply chain. To mitigate risk and to ensure continuity of FEAD product in Q1 2021, FoodCloud carried material FEAD stocks at 31 December 2020 valued at €595,466, this asset was matched by Deferred Income.

Stocks of other Donated Food Products are valued at the lower of cost and net realisable value. Refer to Note 25 – Donated Goods and Services for more information on donated food products received by FoodCloud.

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 recognised at fair value.

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.

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.

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.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

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.

Dilapidations

FoodCloud leases three warehouse premises and at the end of the lease terms is responsible for any dilapidations that may arise. At 31 December 2020 the Directors have made an estimate of the cost of dilapidations which amount to €37,412.

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

	2020 €	2019 €
Funded by the Department of Rural and Community Development	356,396	178,198
Payroll costs	(356,396)	(178,198)
	-	-

6. INCOME

6.1 CHARITABLE ACTIVITIES

	Unrestricted Funds €	Restricted Funds €	2020 €	2019 €
Operational Income	1,833,435	-	1,833,435	1,804,692
Donations	342,000	-	342,000	12,701
Grant/award funding	1,005,696	775,244	1,780,940	687,449
FEAD Programme	-	4,112,169	4,112,169	2,145,505
Pobal- CSP Income	-	356,396	356,396	178,198
	3,181,131	5,243,809	8,424,940	4,828,545

7. EXPENDITURE

7.1 RAISING FUNDS

	Fundraising Costs €	Support Costs €	2020 €	2019 €
FEAD Programme	-	-	-	-
Managed Distribution (Hubs)	129,100	-	129,100	-
Delegated Distribution (Retail)	38,596	-	38,596	-
Delegated Distribution (International)	22,680	-	22,680	-
	190,376	-	190,376	-

FoodCloud
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2020

continued

7.2 CHARITABLE ACTIVITIES

	Staff Costs €	Direct Costs €	Governance & Support Costs €	2020 €	2019 €
FEAD Programme	211,924	3,876,580	23,665	4,112,169	2,145,505
Managed Distribution (Hubs)	1,017,625	498,087	148,385	1,664,097	554,370
Delegated Distribution (Retail)	821,745	486,580	135,603	1,443,928	1,530,574
Delegated Distribution (International – Donated Management Technology Platform)	143,319	90,102	24,718	258,139	409,047
	<u>2,194,613</u>	<u>4,951,349</u>	<u>332,371</u>	<u>7,478,333</u>	<u>4,639,496</u>
Support and other Costs	332,371	-	(332,371)	-	-
Total	<u>2,526,984</u>	<u>4,951,349</u>	<u>-</u>	<u>7,478,333</u>	<u>4,639,496</u>

7.3 GOVERNANCE COSTS

	Direct Costs €	Other Costs €	Support Costs €	2020 €	2019 €
Charitable activities	-	-	120,840	120,840	47,428

7.4 SUPPORT COSTS

	Charitable Activities €	Governance Costs €	2020 €	2019 €
Payroll costs	211,531	113,711	325,242	159,057
Professional fees	-	7,129	7,129	21,196
	<u>211,531</u>	<u>120,840</u>	<u>332,371</u>	<u>180,253</u>

8. ANALYSIS OF SUPPORT COSTS

	Basis of Apportionment	2020 €	2019 €
Payroll costs	Employee time is allocated based on time spent.	325,242	159,057
Professional fees	Fees are charged based on service level agreement.	7,129	21,196
		<u>332,371</u>	<u>180,253</u>

9. NET INCOMING RESOURCES

	2020 €	2019 €
Net Incoming Resources are stated after charging/(crediting):		
Depreciation of tangible assets	76,776	56,974

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

10. EMPLOYEES AND REMUNERATION

Number of employees

Note: FoodCloud merged with FoodCloud Hubs on 01/07/2019 and all FoodCloud Hubs employees transferred to FoodCloud under TUPE.

Consequently the average number of employees in 2019 is lower.

Board member expenses

None of the members of the Board received remuneration for their services or claimed travel expenses during the year.

	2020 Number	2019 Number
Administration	47	31
Warehouse Operatives	19	12
	<u>66</u>	<u>43</u>
The staff costs comprise:		
	2020 €	2019 €
Wages and salaries	2,394,435	1,595,886
Social security costs	247,721	171,509
Pension costs	58,321	46,921
	<u>2,700,477</u>	<u>1,814,316</u>

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	4	7
€70,001- €80,000	4	-

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

All employees can opt to join the defined contribution pension scheme, the employer matches employee contributions up to a maximum of 5% of pensionable pay.

The CEO was paid €79,444 in 2020, made up of a salary of €75,833 and €3,611 employer's pension contribution of 5% of salary .

12. KEY MANAGEMENT PERSONNEL REMUNERATION

	2020 €	2019 €
Wages and Salaries	535,740	430,875
Employer Pension Costs	19,748	16,076
	<u>555,488</u>	<u>446,951</u>

Included above is the salary of the Chief Executive Officer, Partnerships Director, Finance Director, Head of Communications, Head of Engineering, International Partnerships Director, Interim Partnerships Director, Operations Director (H1 only) 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.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

13. TANGIBLE FIXED ASSETS

	Long leasehold property €	Computer Equipment €	Office Furniture €	Motor vehicles €	Total €
Cost					
At 1 January 2020	58,376	28,933	141,257	40,261	268,827
Additions	2,094	-	6,117	157,010	165,221
Disposals	-	-	-	(3,300)	(3,300)
At 31 December 2020	60,470	28,933	147,374	193,971	430,748
Depreciation					
At 1 January 2020	4,254	25,974	36,890	11,932	79,050
Charge for the financial year	6,047	2,570	29,475	38,684	76,776
On disposals	-	-	-	(3,300)	(3,300)
At 31 December 2020	10,301	28,544	66,365	47,316	152,526
Net book value					
At 31 December 2020	50,169	389	81,009	146,655	278,222
At 31 December 2019	54,122	2,959	104,367	28,329	189,777

14. STOCKS

	2020 €	2019 €
Finished goods	595,466	-

15. DEBTORS

	2020 €	2019 €
Trade debtors	84,576	346,463
Prepayments	95,663	70,554
	180,239	417,017

16. CREDITORS

Amounts falling due within one year	2020 €	2019 €
Trade creditors	210,290	50,655
Taxation and social security costs	64,461	49,445
FEAD Deferred Income	-	23,370
Deferred income	1,334,624	446,227
Accruals	110,803	54,755
	1,720,178	624,452

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

17. STATE FUNDING

Department of Rural and Community Development

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 2020 is €356,396 (2019: €178,198).

Department of Employment, Affairs and Social Protection

FEAD Product Income

FoodCloud is 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 2020 is €3,720,012 (2019: €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 2020 is €392,157 (2019: €250,757).

18. RESERVES

	2020 €	2019 €
At 1 January 2020	2,301,491	1,087,792
Surplus for the financial year	756,231	189,049
Transfer following merger with Foodcloud Hubs	-	1,024,650
At 31 December 2020	<u>3,057,722</u>	<u>2,301,491</u>

FoodCloud
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2020

continued

19. FUNDS

19.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds General	Designated Funds	Total Funds
	€	€	€
At 1 January 2019	827,792	260,000	1,087,792
Movement during the financial year	1,373,699	(160,000)	1,213,699
At 31 December 2019	2,201,491	100,000	2,301,491
Movement during the financial year	356,231	400,000	756,231
At 31 December 2020	2,557,722	500,000	3,057,722

19.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2020	Income	Expenditure	Transfers between funds	Balance 31 December 2020
	€	€	€	€	€
Restricted Funds	-	5,243,809	(5,243,809)	-	-
Unrestricted income					
Unrestricted Funds- Designated	*100,000	1,005,696	(1,073,583)	467,887	*500,000
Unrestricted Funds- General	2,201,491	2,175,435	(1,351,317)	(467,887)	2,557,722
	2,301,491	3,181,131	(2,424,900)	-	3,057,722
Total funds	2,301,491	8,424,940	7,668,709	-	3,057,722

*At 31 December 2020 the board has designated funds of €500,000 (2019: €100,000) to provide additional resources to maintain services during the Covid-19 crisis.

19.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use	Current assets	Current liabilities	Total
	€	€	€	€
Restricted trust funds	-	1,724,197	(1,724,197)	-
Unrestricted general funds	278,222	3,275,481	(495,981)	3,057,722
	278,222	4,999,678	(2,220,178)	3,057,722

20. 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.

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

21. FEAD PRODUCT AND OPERATIONAL INCOME

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 Hubs and which is accounted for as Income - FEAD Product grant income.

FEAD PRODUCT INCOME and EXPENDITURE

	2020	2019
<u>Income & Expenditure Account</u>	<u>EUR €</u>	<u>EUR €</u>
FEAD Product - Income	3,720,012	1,894,748
FEAD Product - Cost of Sales	(3,720,012)	(1,894,748)
	-	-
 <u>Balance Sheet</u>	 <u>EUR €</u>	 <u>EUR €</u>
Stock	595,466	-
Bank Balance (Restricted Funds)	275,400	22,796
	870,866	22,796
 Creditors	 111,439	 -
Deferred Income	759,427	22,796
	870,866	22,796
 <u>Movement of FEAD Product Funds</u>	 <u>EUR €</u>	 <u>EUR €</u>
Opening Bank Balance (Restricted Funds)	22,796	47,883
Funds received from DEASP for FEAD Product	4,456,636	2,000,000
Paid to Suppliers during the Year	(4,204,032)	(2,025,086)
Closing Bank Balance (Restricted Funds)	275,400	22,796

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 €392,157 (2019: €250,757)
 Funds received during year ended 31 December 2020 €391,590 (2019: €244,611)
 Bank balance at year ended 31 December 2020 €0, (2019: €567)
 Deferred Income (Note 16) at year ended 31 December 2020 €0, (2019: €567)

FoodCloud

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

22. CASH AND CASH EQUIVALENTS

	2020 €	2019 €
Cash and bank balances	3,723,973	2,319,149

At 31 December 2020 €628,731 (2019: €141,154) of bank balances related to restricted funds with the balance relating to unrestricted funds.

23. POST-BALANCE SHEET EVENTS

The Covid-19 pandemic continues to be 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 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.

FEAD: FoodCloud is the partner organisation for the nationwide availability of the food element of the FEAD Programme in Ireland 2014-2021. The Office of Public Procurement (OGP) will invite tenders for the next phase of the FEAD programme 2022 – 2025 during H1 2021. FoodCloud intends to submit a tender for the next phase of the FEAD programme.

There have been no other significant events subsequent to the year-end that require an adjustment to or additional disclosure in the 2020 financial statements.

24. 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.

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

Source of Food Donations	Tonnes of Food		Estimated Value of Food	
	2020	2019	2020	2019
Donated - Food for Ireland Appeal	26	0	€102,600	€0
Donated - Supply Chain	73	0	€182,900	€0
Procured Food Products	15	0	€50,173	€0
Surplus - Retail and Supply Chain	1,624	983	€4,871,250	€2,949,000
Total	1,738	983	€5,206,923	€2,949,000

During the year Social Innovation Growth Fund Ireland Company Limited by Guarantee T/A Rethink Ireland provided non-financial support of €73,324 (2019: €50,529). Tesco donated Vans to the value of €17,500 in 2019.

25. ULTIMATE CONTROLLING PARTY

The charity is ultimately controlled by the Board of Directors.

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21 April 2021.



FOODCLOUD

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOT COVERED BY THE REPORT OF THE AUDITORS

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

for the financial year ended 31 December 2020

	Schedule	2020 €	2019 €
Income		8,424,940	4,828,545
Cost of generating funds	1	(3,770,185)	(1,894,748)
Gross surplus		4,654,755	2,933,797
Charitable activities and other expenses	2	(3,898,524)	(2,744,748)
Net surplus		756,231	189,049

FoodCloud

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

for the financial year ended 31 December 2020

	2020 €	2019 €
Cost of Generating Funds		
FEAD Product purchases	4,315,478	1,894,748
Direct costs	50,173	-
	<u>4,365,651</u>	<u>1,894,748</u>
Closing stock	(595,466)	-
	<u><u>3,770,185</u></u>	<u><u>1,894,748</u></u>

FoodCloud

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

for the financial year ended 31 December 2020

	2020 €	2019 €
Expenses		
Wages and salaries	2,394,435	1,595,886
Social security costs	247,721	171,509
Staff defined contribution pension costs	58,321	46,921
Facilities	372,871	164,199
Communications and IT costs	303,102	407,988
Transport costs	130,185	36,508
Administrative Costs	79,746	74,966
Marketing and Branding	124,902	37,645
Shared Resources	-	21,100
Travel Expenses	23,081	65,151
Professional Fees	87,384	65,901
Depreciation	76,776	56,974
	<u>3,898,524</u>	<u>2,744,748</u>