

Annual Report 2018

Dublin Food Cooperative Society Limited

Deep Rooted since 1983



NOTICE OF ANNUAL GENERAL MEETING 2019 & SPECIAL GENERAL MEETING

All members of the Dublin Food Co-operative Society Limited are encouraged to attend our Annual General Meeting to be held at the Inchicore Sports and Social Club, Library Square, Dublin 8 on the following date and time:-

Wednesday 12th June 2019 at 6.00pm (Registration from 5.00pm)

The above meeting will adjourn for approximately 30 minutes to facilitate the holding of a short Special General Meeting for the purpose of considering a complete amendment to our Constitution which will incorporate a number of technical matters discussed at previous meetings.

Only fully paid-up members will be able to participate in our consensus decision-making process and participate in the election of our Co-ordinating Body (Board of Directors). Membership can be renewed next time you are at the Co-op, or on the night of the Annual General Meeting.

The Annual Report for 2018 (including finance statements) and the proposed amended constitution can be found on our website. If you would like to receive a hard copy of either, please email your request to secretary@dublinfood.coop.

NOTICE is hereby given that our Annual General Meeting will be held on the 12th June 2019 at 6.00pm for the purposes of transacting the following business:-

To receive the reports of the Co-ordinating Body and the officers of the Society

To consider and receive the audited accounts of the society for the year ending December 2018

To consider and appoint the auditor of the society

To consider, and if agreed, to resolve to reduce the number of positions on the Co-ordinating Body

To undertake elections to the Co-ordinating Body

To consider a resolution on the publication of Co-ordinating Body decisions

To consider a resolution on continued membership of ICOS

NOTICE is hereby given that a Special General Meeting will be held on the 12th June 2019 at 6.15pm for the purposes of transacting the following business:-

To amend our Constitution to permit the society to hold its Annual General Meeting within the first six months of the calendar year and to make technical amendments to our Constitution as required by recent changes in legislation.

Please find attached the agenda for these general meetings which include the resolutions for the consideration of members. Please contact secretary@dublinfood.coop if you wish to be sent a current copy of our constitution.

Contents

Introduction <i>Sam Toland, Co-operative Secretary</i>	2
Management & CB Report	3
CB Report <i>Patrick Flynn, CB Chair</i>	3
CB Rotation	4
Manager Report <i>Aoife Hammond, General Manager</i>	5
Strategic Goals <i>Co-ordinating Body, Management Team</i>	10
Financial Reports	14
Finance Report <i>Finance Team, Finance, Audit & Risk Committee</i>	14
Auditors Report & Audited Financial Statements <i>Mark Glynn, Auditor</i>	17
Appendix 1 - Agenda for AGM & SGM 2019	
Appendix 2 - Standing Orders for General Meetings	
Appendix 3 - General Meeting Minutes from 2018	

Introduction

Welcome to this Annual Report for the year ending 31st December 2018.

It is hugely important to a dynamic and sustainable co-operative that members are well informed about its activities and performance during the year. It is with this principle in mind that it is customary to prepare reports from our Co-ordinating Body, our Committees and our General Manager in addition to providing members with our audited financial statements.

It is fair to say that 2018 was a transformative year in the history of our Co-op - with immense challenges, exciting opportunities, dispiriting lows and inspiring highs. It was a year that demonstrated the resilience of the co-operative model and the commitment of our membership to continuing our common mission.

It was also a fundamentally transitional year, with the events of December 2017 having a huge impact on how 2018 unfolded and the impact of our new direction only beginning to show in early 2019.

As a result, we have put much effort into preparing an Annual Report that provides the most useful insight into the activities of 2018 while placing it within the context of not only the year before, but the first few months of 2019. And of course, a nod to the future.

I would encourage all members to take the time to read this Annual Report, and I hope that it is an inspiring reminder that we co-own a truly resilient co-operative with the potential to make a big impact in the years ahead.

I would also ask that all members consider attending our upcoming Annual General Meeting. It is the most explicit expression of our democratic principles in action and it is crucial that a broad cross-section of our membership has an opportunity to participate in the matters up for consideration - and most importantly elect the next members to serve on our Co-ordinating Body.

It promises to be a great expression of the optimistic, constructive and of course co-operative culture that we have collectively developed over the last number of years.

I have not prepared a specific Secretary Report this, as has often been customary. Aoife Hammond, our General Manager, has prepared an exhaustive update on 2018 which also includes a number of exciting developments that would form the basis of any report I would write.

Please enjoy reading this Annual Report, and we very much look forward to discussing its contents more at the upcoming AGM. Hope to see you there!

Yours in Co-operation,

Sam Toland
Co-operative Secretary

Co-ordinating Body Report

Prepared by Patrick Flynn, Chair of the Co-ordinating Body

'They say time changes things but you actually change them yourself' Andy Warhol

'Learn from yesterday, live for today, hope for tomorrow... as this time last year everything was different'

Albert Einstein

'What's another year?' Johnny Logan

We had quite a year in the Co-op. Through all our combined efforts and work we purchased a premises in Kilmainham which we look forward to being our new home for many years to come. We have grown in numbers faster than any time in our history. We said goodbye to Newmarket and have set up a new base, and embedded ourselves in a new community. We changed our opening hours and are now open seven days of the week.

We appointed our new General Manager Aoife Hammond and a new Co-operative Secretary Sam Toland. Both were appointed after Dublin Food Co-Op advertised the positions nationally. We had a huge number of applicants for both posts and with the assistance of Helen Halpin of Forde HR and Siobhan Cafferty (as an outside expert) we unanimously chose Aoife and Sam as our manager and secretary after a rigorous short-listing and a day-long interview process. Both are familiar to us in the Dublin Food Co-Op through their work over the last number of years. The external panel members complimented them on their expertise and commented on how fortunate we were to have them as part of our community. I am sure you join me in congratulating them both and wish them every success in the future.

All these changes were down to hard work and careful planning on behalf of all the members. In particular I want to thank all the people who gave their time to the numerous strategy and consultation meetings during the last year. Your comments and questions brought us to a clearer understanding of what matters to us in the Co-op. In the move we were fortunate to have the expertise of Loris who helped us through the budgetary matters, our solicitors Mary Needham of Gary Daly for legal advice, Mike Haslam our architect for the design of a fantastic new premises and Seamus Harrington the contractor for doing such a precise job. We received financial support from Community Finance Ireland, Donore Credit Union and numerous members. In addition, of course, all the volunteers and members made the whole move possible and have contributed to the smooth running of the new shop.

This is my last time I will be writing as your Chair as I will be stepping down at the AGM. I will continue on the CB until the next AGM, to ensure a smooth handover. It has been a privilege to be in this position for the last two and a half years. I am grateful to all of you and thank you all for your advice and kind words during my time in this role. Thanks to all the support I received from the CB members, the staff, the volunteers, the producer members and all the members of the Co-op, it made the role easy and a pleasure. I have enjoyed my time immensely. Looking to our new growing membership I am sure that the Co-op is not only going to be in good hands, it will be in excellent hands and this time next year we will be even stronger.

CB Rotation

Prepared by Sam Toland, Co-operative Secretary and CB Election Returning Officer

At present, the CB is constituted of 12 members with 6 members (re-)elected every year for a 2 year term (with a maximum of a 4 year term).

A resolution is being brought to the Annual General Meeting to reduce the number of CB members to 9, with 3 members elected every year for a 3 year term (with a maximum of 6 year term).

It will be for the members in attendance at the AGM to determine whether to carry out the election under the proposed resolution, or to do so under the existing number of CB members.

Retirement and Re-election

The following members of the Co-ordinating Body will be retiring at the next AGM:-

Thomas Hamann (4 years served)

Paul Farrell (4 years served)

Sam Toland (2.5 years served)

The following members of the Co-ordinating Body will be standing for re-election at the next AGM:-

Maureen O'Donnell (2 years served)

Filipa Ferraz (2.5 years served)

There are presently 2 positions on the CB that have remained vacant.

Nomination and Election Process

- Opening of nominations process to members: Friday 17th May 2019.
- Members may nominate themselves but will require another member to second their nomination.
- All nominations to be registered with the Dublin Food Co-op by noon on Tuesday 4th June 2019.
- All nominees to be reviewed by the Nomination and Governance Committee of the Board on 5th June 2019 and a list of eligible nominees is compiled.
- If there are more eligible nominees than vacancies on the Board to be filled, a ballot will be prepared for the AGM and a list of eligible nominees with a brief summary of their experiences to date (taken solely from the nomination form) will be circulated to the Dublin Food Co-op's voting members before Thursday 6th June 2019.
- The conduct of the election is the responsibility of the Returning Officer who will rule on all issues relating to it. The Dublin Food Co-op's Returning Officer in 2019 is the Co-operative Secretary, Sam Toland.

General Manager's Report

Prepared by Aoife Hammond, General Manager

2018 was in incredible year for all of us at the Co-op.

We have faced so many challenges since the wall fell in December 2017. After the year that we have had, I am very happy to report that after 6 months in Kilmainham and a huge amount of hard work from our Co-ordinating Body (Board), Staff and Volunteers we are on the right track and are on track to make a healthy surplus in 2019.

Challenging times in Newmarket

After the damage to the wall we were forced to cease activity in our main hall. This had major implications for the way that the Co-op has operated for the last number of years - it meant an end our Saturday Market, the Thursday Cafe and to our Sunday Markets & other events.

We were able to continue to operate our Co-op shop and retain some producer members in our entrance hall.

I would like to say a huge thanks to our producer members who played such a key role in our Co-op for so long, they stuck with us even as we lost the Main Hall.

Thankfully with the support of our members (through their continued trade with the Co-op) we were able to ameliorate the worst of the impact to our finances.

It was in July 2018 that the Co-op took the real hit - when it came to the time to renew our insurance, our insurance company refused to renew our insurance if we were to stay in the Newmarket building.

It was at this point that the Board and the staff had to make a decision as to whether we would continue to trade and provide a service to our members or close until we settled on a new premises.

There was a general consensus that if were to close at this time, it would likely jeopardise the progress made on the new premises and there would be every likelihood that we may never reopen.

We managed to secure temporary market insurance from Mast Insurance - this meant that we could trade in our entrance hall. This left us with less than a quarter of the space to operate in but were still able to provide a service to our members.

Trading from that small space in newmarket had a huge impact on our finances and from July - until the move in November - we operated at a substantial loss.

In October of 2018 the staff took a voluntary pay cut to ensure that we could continue to operate. This helped reduce our costs and guaranteed a continued service to the members right up until the opening in the new premises.

The staff had been under immense pressure, they had been put on protective notice since the Summer 18 and operating in the hallway was an additional stress. Many thanks to all the staff that continued to stay upbeat and positive throughout this difficult time.

We have created a timeline with our sales, costs and influential events – this gives our members a clear indication of how the incidents affected our turnover and led to a substantial loss by the end of the year.

We have included the January and February 2019 figures to show how we have been able to sustain the return to a growth in trading since the move to Kilmainham.

Moving on – A new home for DFC

The search for a suitable premises had intensified in the past year, we viewed so many premises – shops, warehouses and even considered plots of land but nothing was suitable.

We knew that there would be sacrifices with our move but we needed to find something that would ensure that the Co-op had a future.

After many meetings in regards to premises the Co-op members made the decision to purchase two units in Kilmainham. One for the Co-op Shop, the other a cafe unit with a sitting tenant, the Lime Tree Cafe.

To purchase the property we secured a mortgage from Community Finance Ireland, along with a loan from Donore Credit Union. This was in addition to the tremendous contributions that our members and supporters made – approx. €60,000 from loans, lifetime memberships and donations.

There was a tremendous amount of work done behind the scenes in preparing budgets and financial analysis. A huge thanks to our financial advisor Loris Paladino who's work on these budgets along with other guidance and recommendations that were key to securing these loans and to Catherine Doran for her contributions to this, and preparing the financial accounts year in year out.

We received the keys on the 5th of September. In our original timeline we were to move in September but due to delays in the process we finally opened on the 10th of November.

The big move took 6 days, with all staff members and 60 volunteers working flat out. We were setting up the shop until 4am in the morning the night before for a 9 o'clock opening! The move could not have happened if it wasn't for all of those committed staff and volunteers.

Big changes to our operations

Since moving to Kilmainham a lot has changed, we are open 7 days a week. This allows us to have 5 or more orders a week ensuring that our produce is always fresh.

Operating in a small busy shop has its challenges, we quickly realised that there were some issues with the layout – these are in the process of being resolved with a new layout planned. We have also ordered a new awning to ensure that the fruit and vegetables are protected from the weather year around.

After doing an in-depth resource analysis we identified that we needed additional support from a retail consultant.

We contracted Keith Harford through ICOS in January to work with our staff team for 3 months. It was crucial that our operations in Kilmainham be a success and we begin to make a surplus to guarantee the future of the Co-op.

Since we have begun to work with Keith staff and volunteers have received training in customer service, management staff have been trained in stock control and ordering, negotiation skills, communications and people management and merchandising.

I worked with Keith to prepare a new action plan that focuses on providing our members with the best service and quality produce. Keith's training and advice has been invaluable to the recent performance of our Co-op.

We are now at the point where we are making a monthly surplus and meeting our weekly projected targets. There is still lots of room for improvement, we are just beginning to see all of the potential that being based in Kilmainham has to offer.

One of the biggest changes to our operations over the past year was the departure of our Acting General Manager Gabrielle Lafitte. Gaby was hugely instrumental in our preparations for the move and has been a great asset to the Co-op in her time here. We wish her all the best in the future.

Our staff team has grown in the past year with our change in operations with new staff members Leah Butler, Laurent Roger, Fox Keohane, Ciara Ward and Maelle Maltaire joining our team. We have also gone into partnership with Tús scheme – allowing the Co-op to reduce its staff hours and hire members from our community and the local community to work for our organisation.

Community at our core

One of the main concerns that people had when we moved to Kilmainham was the loss of our big community space, yes it is true that **we only have a small shop but that does not mean that we have to have a small community.**

Now that we have a premises of our own we do not have to worry about the constant insecurity of rising rents or of being moved on at short notice. Having the security means that we can focus on our community and our environment.

In April we reintroduced our 'Fáilte' induction meetings, have been well attended and there has been lots of interesting debated and questions that have come from the Fáilte. These meetings took place in the Lime Tree Cafe and in the Bhuddist Centre on Inchicore road.

We also had our first meeting in which we discussed our 'Member affairs committee' - the members affairs committee is a real opportunity for our membership to be involved in decision making in regards to our buying policies and community events and a space for our community to meet socialize again on a regular basis.

The staff and management look forward to engaging with this committee on our purchasing policy.

We have also had a number of community events in the local area - we had a film screening in the Inchicore Sports and Social Club and in early May we had a Street Feast outside the shop. It was a great event and a good way to engage with locals, new and old members alike.

Membership

Our membership is at a record high. We currently have 2197 members (as of May 2019), many of whom are new members from the local area and have embraced our core principles and co-operative ethos. Many new members are coming to events, failtes and discussions that we have hosted.

We know that in our move to Kilmainham we would lose some members, which it appears we have but we are seeing many familiar faces in the shop and at Co-op events and many lapsed members have rejoined.

We are also planning to engage with members that have yet to renew this year when we re-launch our online membership form. We are optimistic we can re-engage many of those members.

Future Planning - Strategic Plans for 2019 and 20 - 25

This year, we have created a number of strategic goal for 2019 in tandem with the Co-ordinating Body and are working on our strategy for 20 - 25.

We have shared a number of the core objectives for this year in the Annual Report, and the Co-ordinating Body intend to bring the membership into the planning process for 20-25 in line with previous workshops likethe 'Re-imagining our Co-op' sessions held in Sophia House in 2018.

Final thoughts

I couldn't talk about 2018 with talking about the passing of our great friend Jocelyn Blake. Jocelyn passed away in November just after we moved into our new premises. We were all devastated and found it hard to continue as normal in the shop. The staff and Joc's good friends in the Co-op did so well to continue to work at that time.

Jocelyn was a much loved member of our community, she was born and bred Co-op - she used to visit Pearse Street as a child with her parents and as an adult became a volunteer, coming along to on the flea sunday and helping out for the day in the shop.

As an employee she was a key figure when we introduced the fresh fruit and veg here at the Co-op, she was a veg supervisor ensuring that our members got the best of the fruit and veg, always chatting to members and volunteers to find out what was working and what wasn't. She was an amazing person to have around Newmarket, always laughing and singing -each day we'd begin to work she's make sure we'd have a dance party before our shift! We all miss her a lot.

I'd also like to remember long time co-op members Stephen Coyne, Damien Nolan and Jacqueline Armstrong that passed in 2018. Stephen passed in January of last year. He was an early Co-op member and very familiar face to members, many would remember his big booming laugh when he was trying to wind up a staff member at the tills! Damian passed away in July of last year - our staff were all saddened to hear of his passing, we would have great conversations with him in the shop, especially about his love of reggae and about his environmental activism. Jacqueline was a longtime Co-op member, she was in almost every Saturday without fail, always full of chat and had lots of questions - always keeping up to date with any new products and changes at the Co-op.

I am honored to have gotten to know of these members throughout my time at the Co-op and through being apart of our Co-op community. There really isn't anywhere like it in Dublin.

Although 2018 has been a very challenging year for us at the Co-op, I am very optimistic about the future - we own our premises, our membership is at an all time high, we are on track to return to surplus in 2019, we have a community education and development program planned and our click & collect is about to launch.

I would also like to thank those that purchased lifetime memberships, that loaned and donated to the Co-op and to the members that stuck with us and dug their heels in when times got very difficult last year.

Just coming along and continuing to shop with us really kept us going as an organisation.

Here's to the moving forward into the 2020's as a sustainable, ethical, successful and thriving Co-operative!

Strategic Goals for 2019

The Co-ordinating Body has identified 5 strategic priorities for 2019 and beyond. These form the basis for a number of core objectives for 2019. The Co-ordinating Body and Management Team will be working on refining these priorities in consultation with members during the next CB term.

Securing our future

- Maintaining a Surplus - effectively management our co-operative - our General Manager, Finance Committee and Co-ordinating Body will closely monitor and control our finances.
- Online Presence - launch our click & collect online store - we will launch our click & collective service after a delayed launch due to the move to Kilmainham.
- Wholesale - develop a wholesale strategy - we will continue to expand our whole-sale sales to a number of cafes, restaurants and like-minded organisations. we will progress discussions with other food co-ops about co-operating on expanding our wholesale.

Sustainability At Our Core

- Product Values Document - develop a coherent purchasing policy - we will finalise a draft document is being prepared in partnership with the DIT Food Sustainability students. The Members' Affairs Committee will further development this document before recommending to the Co-ordinating Body.
- Measuring our Impact - generate key performance indicators to measure impact the Management team will develop key performance indicators to help us track our sustainability performance within the co-operative.

Co-operation is Key

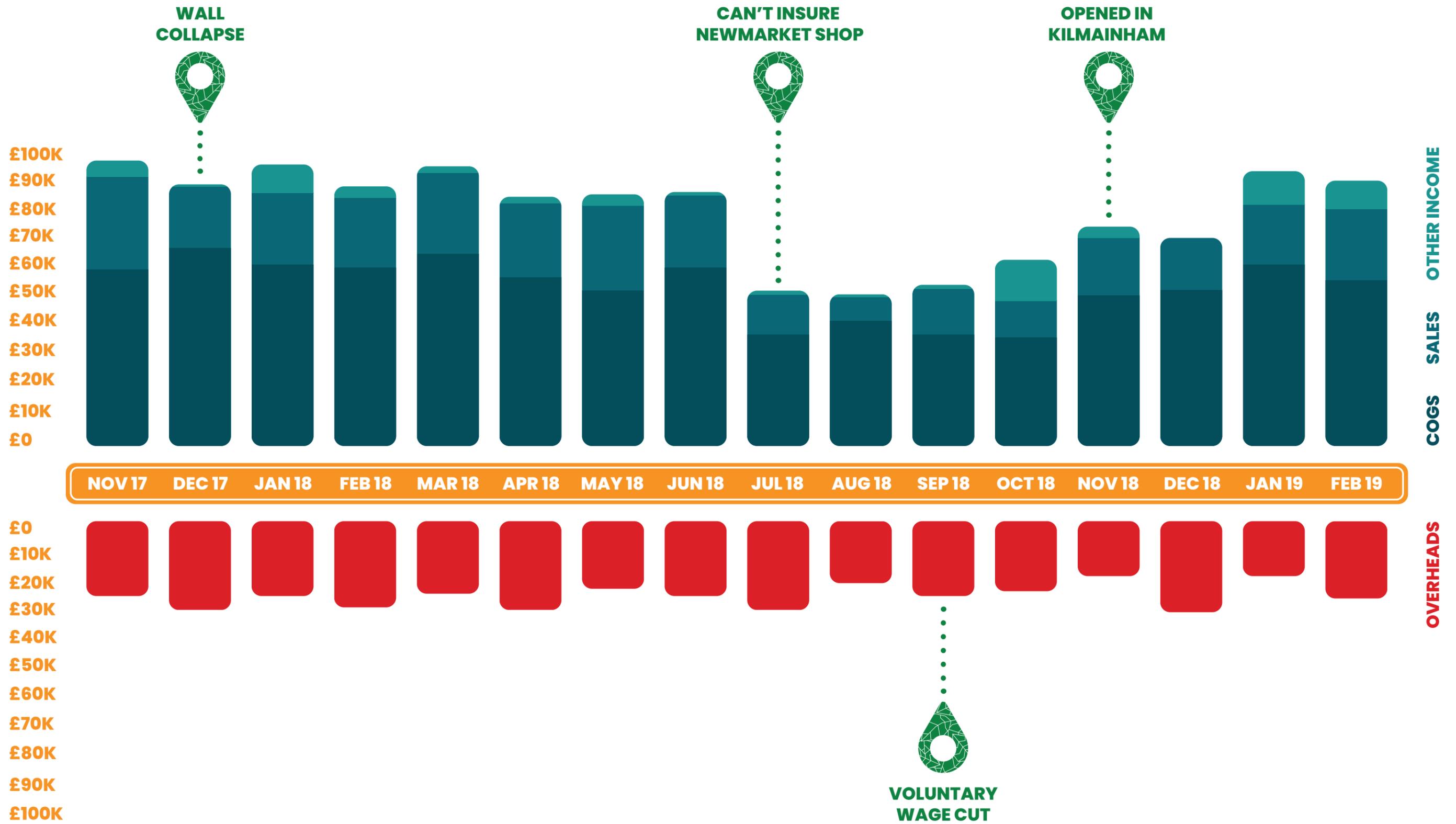
- More Member Involvement - implement our member development plan - we are implementing more diverse mechanisms for members to have a say in the governance of our co-operative outside of General Meetings. This includes the Members' Affairs Committee, other CB Committees open to members and more Talkin' Co-ops.

Educate and Advocate

- Members' Development Program - develop a members' development program - we are finalising a program with modules like 'Co-operative Studies', 'Wholefoods and Zero waste cooking' and 'Facilitation Skills', along with more talks on zero waste and sustainability. Launch the first program for September 2019 - April 2020
- Community Outreach - implement our outreach plans and recruit Co-op Advocates - we will continue our outreach on behalf of the Co-op at events focused on sustainability, co-operation and alternative economics. It is very important that our Co-op is contributes to these discussions. We are putting together a team of Co-op advocates to represent the Co-op at more events and fora.

A New Economy

- Alternative Food System - organise event on co-operating with aligned organisations - we are aiming to host an event with other food co-ops and others working on building a more sustainable food system, with the aim of promoting more co-operation in the sector.
- Food Sovereignty - increase our local produce - we are working with Local Growers like Oliver Kelly to develop a growing plan to increase the proportion of produce sourced from local suppliers for the Co-op.



Finance Report 2018

Finance Team

Loris Paladino & Catherine Doran

Finance, Audit & Risk Committee

Martin Nolan (Chair) B. Comm., FCA, AITI, MA

Sam Toland (Secretary)

Patrick Flynn

The Dublin Food Co-operative Society [DFC] completed a significant restructuring of its business model in the autumn of 2018.

The restructuring was principally necessitated by the need for DFC to vacate its trading premises of many years at Newmarket Dublin 8.

The need to move to new premises posed significant challenges. The principal decision being, whether to pursue a rental option or a property purchase.

Following a careful analysis it was decided to follow the purchase option. The financing options for the new premises required careful consideration. The financing mix chosen was funding from members and credit institutions as follows:

- Community Finance Ireland - €535K
- Donore Credit Union - €60k
- Loans from Members - €40k

The move to new premises brought into focus the challenge of how to transition the business to a new location and to retain members' continued support and trade. These were principally:

- Longer trading hours, Monday-Sunday (previously Wednesday-Sunday);
- Staff scheduling requirements to meet the new trading week;
- Suppliers adapting to new delivery requirements;
- Changes in marketing focus to inform current members and potential members of new arrangements

Through the hard work of the Coordinating Body, staff, and volunteers these challenges were addressed and with the cooperation and understanding of our members we look forward to a successful future for the DFC.

Financial Performance for the Year Ended 31 December 2018

The outturn for 2018 shows an overall net deficit of €46,005. This result reflects two separate trading periods – trading in the Newmarket premises up to 4th of November 2018 and in the new premises in Kilmainham from the 9th of November 2018.

The trading in the first period was affected by a number of key factors:

- Restricted level of trading due to partial closure of the trading area (approximately 50%) in the building at Newmarket due to a partial wall collapse
- Substantial reduction in stallholder income due to limited trading space
- Rental Income from the Sunday Markets was also substantially reduced

Unfortunately due to the above reasons July-December sales of goods were down from €527,000 to €360,000 i.e. a drop of €167,000 resulting in a loss in Gross Margin contribution of €50,000. Overall sales for 2018 of €868,000 were down from €1,049,000 in 2017 i.e. a reduction of €181,000.

The significant movements in overheads for the period reflect:

- Payroll reduction of €20,000
- Rent and rates reduction €39,000
- Interest charges on borrowings increase of €12,000

Despite the above challenges we have managed to maintain a Gross Profit trading Margin of approximately 29.5%.

There are material savings in overheads following the move to Kilmainham location including premises rental saving arising as a result of the new premises acquisition. We are very pleased with an increase in the level of volunteer participation at the new trading location.

***Projected Performance
for the Year Ended 31 December 2019***

The projections for 2019 reflect our fully operational trading activities in Kilmainham, in particular the overheads are based on the new circumstances.

Sales are expected to recover fully from the 2018 period of disruption and to improve on the previous high of 2017.

An important underlying feature of the new business model operating at the DFC is that it owns its own premises. Accordingly there are no rent outgoings (2018: €38,000) but instead there is a gross rental income €27,000.

Payroll costs are lowered slightly and other general overheads are reduced due to the efficiencies arising from being in a modern building.

The financing of the new premises has given rise to loan interest charges of €40,000 per annum.

The overall projected out-turn for 2019 is a net surplus, with actual trading results for the first three months of 2019 show a net surplus in line with budget for the two month period and with the overall annual budget for 2019.

The monitoring of gross margins on sales is on-going and overheads are continually measured to ensure maximum efficiency and lowest costs.

The Finance Team and the Finance, Audit & Risk Committee looks forward to working with the incoming Co-ordinating Body and our Management Team to ensure the DFC continues to solidify its the sustainability of its operations.

Auditors Report & Audited Financial Statements

Registration Number: 4638 R

Dublin Food Co-Operative Society Limited
Co-Ordinating Body Annual Report and Financial Statements
for the year ended 31 December 2018

Dublin Food Co-Operative Society Limited
CONTENTS

	Page
Co-Ordinating Body and Other Information	19
Co-Ordinating Body Annual Report	20 - 21
Statement of Co-Ordinating Body Responsibilities	22
Independent Auditor's Report	23 - 24
Appendix to the Independent Auditor's Report	25
Income and Expenditure Account	26
Balance Sheet	27
Reconciliation of Members' Funds	28
Notes to the Financial Statements	29 - 33
Supplementary Information on Trading Statement	34 - 38

Dublin Food Co-Operative Society Limited
CO-ORDINATING BODY AND OTHER INFORMATION

Co-Ordinating Body	Patrick Flynn (Chairperson) Maureen O'Donnell (Treasurer) Sam Toland (Secretary) Thomas Hamann Paul Farrell Martin Obst Dominik Chebowski (Resigned 31 July 2018) Filipa Ferraz Aaron Jewell (Appointed 31 July 2018) Tessa Cornally (Appointed 31 July 2018) Kevin O Farrell (Appointed 31 July 2018) Sarah Grey (Appointed 31 July 2018, Resigned 4 August 2018)
Company Secretary	Sam Toland
Society Number	4638 R
Registered Office and Business Address	Kilmainham Square Inchicore Road, Dublin 8
Auditors	Mark Glynn & Co. Certified Public Accountants and Registered Auditor Kit House 13 Magna Business Park City West Dublin 24
Bankers	Ulster Bank 63 Ranelagh, Dublin 6. Ulster Community Investment Trust (Ireland) Unit 16, Ardee Business Park, Hale Street, Ardee, Louth Donore Credit Union Limited 22 Rutledge Terrace, South Circular Road, Dublin 8
Solicitors	Leman Solicitors 8-34 Percy Place Dublin 4 Gary Daly & Co. 111 The Capel Building, Mary's Abbey, Dublin 7.

Dublin Food Co-Operative Society Limited CO-ORDINATING BODY ANNUAL REPORT

for the year ended 31 December 2018

The Co-Ordinating Body present their report and the audited financial statements for the year ended 31 December 2018.

Principal Activity and Review of the Business

The principal activity of the Co-op continues to be that of a consumer food co-operative.

The Dublin Food Co-operative Society (DFC) completed a significant restructuring of its business model in the Autumn of 2018. The restructuring was principally necessitated by the need for DFC to vacate its trading premises of many years at Newmarket Dublin 8. The need to move to new premises posed significant challenges. The principal decision being, whether to pursue a rental option or a property purchase. Following a careful analysis which was endorsed by members at a Special General Meeting in July 2018, it was decided to follow the purchase option.

The move to new premises brought into focus the challenge of how to transition the enterprise to a new location while retaining the existing levels trade with members. These challenges were principally longer trading hours, staff/volunteer scheduling requirements to meet the new trading week, suppliers adapting to new delivery requirements and changes in communications to inform current members and potential members of new arrangements.

Through the hard work of the our staff and volunteers these challenges were addressed, the bulk of these challenges were met in 2018 and with the cooperation and understanding of our members we look forward to a successful future for the DFC.

Financial Results

The deficit for the year after providing for depreciation and taxation amounted to €(45,965) (2017 - €(15,060)).

Co-Ordinating Body and Secretary

The Co-Ordinating Body who served throughout the year, except as noted, are as follows:

Patrick Flynn (Chairperson)
Maureen O'Donnell (Treasurer)
Sam Toland (Secretary)
Thomas Hamann
Paul Farrell
Martin Obst
Dominik Chebowski (Resigned 31 July 2018)
Filipa Ferraz
Aaron Jewell (Appointed 31 July 2018)
Tessa Cornally (Appointed 31 July 2018)
Kevin O Farrell (Appointed 31 July 2018)
Sarah Grey (Appointed 31 July 2018, Resigned 4 August 2018)

The secretary who served throughout the year was Sam Toland.

In accordance with the Constitution, the Co-Ordinating Body retire by rotation and, being eligible, offer themselves for re-election.

Future Developments

The core enterprise objective of the society is returning to, and sustaining, a trading surplus to ensure repayment of loans, and rebuild our reserves.

The society plans to continue its present activities and increase current trading levels. Employees and volunteers are kept as fully informed as practicable about developments within the business.

The society has a number of impact objectives which include further expanding our offering of sustainable and ethical products, increasing our suppliers of local fresh produce and raising awareness of how co-operatives can contribute to building a more sustainable economy. The membership will be critical to seeing these objectives achieved both through their trading and their engagement through the Co-ordinating Body and committees.

The society intends to greatly increase its level of outreach both within and outside the existing DFC community, and will be re-implementing important member connections like the Fáilte New Member Induction, a Members' Development Programme and a Members' Affairs Committee.

Post Balance Sheet Events

There have been no significant events affecting the Society since the year-end other than those noted above.

Dublin Food Co-Operative Society Limited CO-ORDINATING BODY ANNUAL REPORT

for the year ended 31 December 2018

Auditors

The auditors, Mark Glynn & Co., (Certified Public Accountants) have indicated their willingness to continue in office.

Accounting Records

To ensure that adequate accounting records are kept in accordance with the Irish Industrial and Provident Societies Acts, 1893 to 2018, 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 Kilmainham Square, Inchicore Road, Dublin 8.

Signed on behalf of the board

Patrick Flynn
Chairperson

13 May 2019

Maureen O'Donnell
Treasurer

13 May 2019

Dublin Food Co-Operative Society Limited STATEMENT OF CO-ORDINATING BODY RESPONSIBILITIES

for the year ended 31 December 2018

The Industrial and Provident Societies Acts, 1893 to 2018 require the Co-Ordinating Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period. The Co-Ordinating Body is responsible for preparing the financial statements in accordance with accounting standards generally accepted in Ireland.

In preparing those financial statements, the Co-Ordinating Body are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Co-Ordinating Body confirm that they have complied with the above requirements in preparing the financial statements.

The Co-Ordinating Body is responsible to ensure that the Society keeps proper books of account which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Industrial and Provident Societies Acts, 1893 to 2018.

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.

Signed on behalf of the Co-Ordinating Body

Patrick Flynn
Chairperson

13 May 2019

Maureen O'Donnell
Treasurer

13 May 2019

INDEPENDENT AUDITOR'S REPORT to the Members of Dublin Food Co-Operative Society Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Dublin Food Co-Operative Society Limited ('the society') for the year ended 31 December 2018 which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Members' Funds 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 the Industrial and Provident Societies Acts, 1893 to 2018 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the society as at 31 December 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Industrial and Provident Societies Acts, 1893 to 2018.

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 society 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

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

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

Other Information

The Co-Ordinating Body 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 the fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Industrial and Provident Societies Acts, 1893 to 2018

As required by section 13(2) of the Industrial and Provident Societies Acts, 1893 to 2018 we examined the society balance sheet showing the receipts and expenditure, funds and effects of the society, and verified the same with the books, deeds, documents, accounts and vouchers relating thereto, and found them to be correct, duly vouched, and in accordance with law.

INDEPENDENT AUDITOR'S REPORT to the Members of Dublin Food Co-Operative Society Limited

Respective responsibilities

Responsibilities of Co-Ordinating Body for the financial statements

As explained more fully in the Statement of Co-Ordinating Body Responsibilities set out on page 6, the Co-Ordinating Body 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 Co-Ordinating Body are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the society 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.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 9, which is to be read as an integral part of our report.

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

Our report is made solely to the society's members, as a body, in accordance with the requirements of the Industrial and Provident Societies Acts, 1893 to 2018. Our audit work has been undertaken so that we might state to the society'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 society and the society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

MARK GLYNN & CO.

Certified Public Accountants and Registered Auditor
Kit House
13 Magna Business Park
City West
Dublin 24

13 May 2019

Dublin Food Co-Operative Society Limited APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

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 the directors.
- Conclude on the appropriateness of the Co-Ordinating Body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Dublin Food Co-Operative Society Limited
INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2018

	Notes	2018 €	2017 €
Income		904,337	1,103,615
Expenditure		(932,460)	(1,118,638)
Operating deficit	3	(28,123)	(15,023)
Exceptional items	4	(5,934)	-
Deficit before interest		(34,057)	(15,023)
Interest payable and similar expenses	5	(11,908)	-
Deficit before tax		(45,965)	(15,023)
Tax on deficit	7	-	(37)
Deficit for the year		(45,965)	(15,060)
Total comprehensive income		(45,965)	(15,060)

Approved by the board on 13 May 2019 and signed on its behalf by:

 Patrick Flynn
 Chairperson

 Maureen O'Donnell
 Treasurer

Dublin Food Co-Operative Society Limited
BALANCE SHEET

as at 31 December 2018

	Notes	2018 €	2017 €
Fixed Assets			
Tangible assets	8	714,111	26,765
Current Assets			
Stocks	9	43,545	42,498
Debtors	10	30,769	11,766
Cash and cash equivalents		52,856	143,523
		127,170	197,787
Creditors: Amounts falling due within one year	11	(197,248)	(98,148)
Net Current (Liabilities)/Assets		(70,078)	99,639
Total Assets less Current Liabilities		644,033	126,404
Creditors			
Amounts falling due after more than one year	12	(564,119)	-
Net Assets		79,914	126,404
Reserves			
Capital reserves and funds		1,183	1,708
Income and expenditure account		78,731	124,696
Members' Funds		79,914	126,404

Approved by the board on 13 May 2019 and signed on its behalf by:

 Patrick Flynn
 Chairperson

 Maureen O'Donnell
 Treasurer

Dublin Food Co-Operative Society Limited
RECONCILIATION OF MEMBERS' FUNDS

as at 31 December 2018

	Retained surplus	Reserve for own shares	Total
	€	€	€
At 1 January 2017	139,756	1,785	141,541
Deficit for the year	(15,060)	-	(15,060)
Other movements in Members' Funds	-	(77)	(77)
At 31 December 2017	124,696	1,708	126,404
Deficit for the year	(45,965)	-	(45,965)
Other movements in Members' Funds	-	(525)	(525)
At 31 December 2018	78,731	1,183	79,914

Dublin Food Co-Operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. GENERAL INFORMATION

Dublin Food Co-Operative Society Limited is incorporated in the Republic of Ireland. Kilmainham Square, Inchicore Road, Dublin 8, is the registered office, which is also the principal place of business of the society. The nature of the society's operations and its principal activities are set out in the Co-Ordinating Body Annual Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

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

Statement of compliance

The financial statements of the society for the year ended 31 December 2018 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Industrial and Provident Societies Acts, 1893 to 2018 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Cash flow statement

The company has availed of the exemption in FRS 102 from the requirement to prepare a Cash Flow Statement.

Income

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Life Time Memberships

Life time membership's subscriptions are being credited to income over a period of three years from date of receipt.

Tax Status

As the Society is a mutual Society it is exempt from Corporation Tax on its trading surplus. The Society is however liable to corporation tax on its non-mutual income.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical 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:

Land and buildings freehold	-	2% Straight line
Leasehold Improvement	-	Over the Life of the Primary Lease period
Fixtures, fittings and equipment	-	12.5% 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.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Dublin Food Co-Operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade and other creditors

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

Taxation

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income and Expenditure Account.

Exceptional item

Exceptional items are those that the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Society's financial performance.

3. OPERATING DEFICIT	2018	2017
	€	€
Operating deficit is stated after charging:		
Depreciation of tangible fixed assets	<u>8,121</u>	<u>6,847</u>
4. EXCEPTIONAL ITEMS	2018	2017
	€	€
Write off of tangible fixed assets - Relocation	(20,934)	-
Insurance refund arising from business interruption	<u>15,000</u>	-
	<u>(5,934)</u>	-
5. INTEREST PAYABLE AND SIMILAR EXPENSES	2018	2017
	€	€
Interest	<u>11,908</u>	-
6. EMPLOYEES		
The average monthly number of employees during the year was as 10 (2017 - 13). The Society also receives the support of volunteers for various activities.		
	2018	2017
	Number	Number
Operational	<u>10</u>	<u>13</u>

Dublin Food Co-Operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

7. TAX ON DEFICIT

	2018	2017
	€	€
(a) Analysis of charge in the year		
Current tax:		
Income tax	-	<u>37</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the Republic of Ireland 12.50% (2017 - 12.50%). The differences are explained below:

	2018	2017
	€	€
Deficit before tax	<u>(45,965)</u>	<u>(15,023)</u>
Deficit before tax multiplied by the standard rate of corporation tax in the Republic of Ireland at 12.50% (2017 - 12.50%)	<u>(5,746)</u>	<u>(1,878)</u>
Effects of:		
Utilisation of tax losses	<u>5,746</u>	<u>1,915</u>
Total tax charge for the year (Note 7 (a))	<u>-</u>	<u>37</u>

As the Society is a mutual Society it is exempt from Corporation Tax on its trading surplus. The Society is however liable to corporation tax on its non-mutual income.

8. TANGIBLE FIXED ASSETS

	Land and buildings freehold €	Leasehold Improvement €	Fixtures, fittings and equipment €	Total €
Cost				
At 1 January 2018	-	179,107	122,122	301,229
Additions	705,501	-	11,379	716,880
Disposals	-	(179,107)	(122,122)	(301,229)
At 31 December 2018	<u>705,501</u>	<u>-</u>	<u>11,379</u>	<u>716,880</u>
Depreciation				
At 1 January 2018	-	179,107	95,357	274,464
Charge for the year	2,352	-	5,769	8,121
On disposals	-	(179,107)	(100,709)	(279,816)
At 31 December 2018	<u>2,352</u>	<u>-</u>	<u>417</u>	<u>2,769</u>
Net book value				
At 31 December 2018	<u>703,149</u>	<u>-</u>	<u>10,962</u>	<u>714,111</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>26,765</u>	<u>26,765</u>

9. STOCKS	2018	2017
	€	€
Finished goods and goods for resale	<u>43,545</u>	<u>42,498</u>

The replacement cost of stock did not differ significantly from the figures shown.

Dublin Food Co-Operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

10. DEBTORS	2018 €	2017 €
Trade debtors	-	4,529
Other debtors	17,170	-
Taxation	8,532	-
Prepayments	5,067	7,237
	<u>30,769</u>	<u>11,766</u>
11. CREDITORS	2018 €	2017 €
Amounts falling due within one year		
Amounts owed to credit institutions	57,876	-
Trade creditors	62,276	74,895
Taxation	7,551	17,843
Other creditors	-	37
Accruals	52,403	5,373
Deferred Income	17,142	-
	<u>197,248</u>	<u>98,148</u>

Accruals include the amount of €43,340 in respect of rates. The Society is engaged in negotiations with Dublin City Council over the final amount due. The amount provided by the CB is considered to be sufficient to meet the amount of a likely settlement.

The amount owed to credit institutions are secured see, Note 13.

12. CREDITORS	2018 €	2017 €
Amounts falling due after more than one year		
Bank loan	473,062	-
Credit Union and members loans	91,057	-
	<u>564,119</u>	<u>-</u>
Loans		
Repayable in one year or less, or on demand (Note 11)	57,876	-
Repayable between one and two years	65,659	-
Repayable between two and five years	218,997	-
Repayable in five years or more	279,463	-
	<u>621,995</u>	<u>-</u>

The bank loan is secured, see Note 13.

13. DETAILS OF CREDITORS

Security given in respect of creditors

The loan from Ulster Community Investment Trust (Ireland) t/a Community Finance Ireland was drawn down at €530,000 and is repayable in equal instalments of €4,473 per month over a 15 year term at a minimum interest rate of 6% subject to the underlying European Central Bank rate. The bank holds a first legal charge over two adjoining retail units at Kilmainham Square, Inchicore Road, Dublin 8.

Dublin Food Co-Operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

14. STATUS

The liability of the members is limited.

Every member of the society 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 society contracted before they ceased to be members, and of 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.

15. CAPITAL COMMITMENTS

The society had no material capital commitments at the 31 December 2018.

16. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the society since the year-end.

17. MEMBERS SHARES

Applicants for membership are required to subscribe €1 on becoming a member of the society.

18. TRANSACTIONS WITH CO-ORDINATING BODY

A member of the Co-Ordinating body received remuneration as an employee in the amount of €2,650 from the date of their appointment.

As part of the fundraising for the new property, a member of the Co-Ordinating has given an unsecured loan to the Co-op €1,000 which is to be repaid in 2021. Interest is to be paid at 1.25% pa which is in line with the terms of the loan note instrument.

Members of the Co-Ordinating body purchase goods at the Co-op on the same basis as all other volunteers.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board on 13 May 2019 and signed on its behalf by:

Patrick Flynn
CHAIRPERSON

Maureen O'Donnell
Treasurer

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NOT COVERED BY THE REPORT OF THE AUDITORS

THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

Dublin Food Co-Operative Society Limited
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
TRADING STATEMENT
for the year ended 31 December 2018

	Schedule	2018 €	2017 €
Income		870,340	1,073,202
Costs	1	(616,481)	(749,718)
Gross surplus		253,859	323,484
Gross surplus Percentage		29.2%	30.1%
Overhead expenses	2	(327,887)	(368,920)
Exceptional items		(5,934)	-
		(79,962)	(45,436)
Miscellaneous income	3	33,997	30,413
Net deficit		(45,965)	(15,023)

Dublin Food Co-Operative Society Limited
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
SCHEDULE 1 : COSTS
for the year ended 31 December 2018

	2018 €	2017 €
Costs		
Opening stock	42,498	36,294
Purchases	<u>617,528</u>	<u>755,922</u>
	660,026	792,216
Closing stock	<u>(43,545)</u>	<u>(42,498)</u>
	<u><u>616,481</u></u>	<u><u>749,718</u></u>

Dublin Food Co-Operative Society Limited
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
SCHEDULE 2 : OVERHEAD EXPENSES
for the year ended 31 December 2018

	2018 €	2017 €
Administration Expenses		
Wages and salaries	163,466	179,463
Social welfare costs	15,612	17,313
Staff training	1,360	1,970
Rent/Licences and rates	53,682	89,760
Insurance	6,565	7,000
Light and heat	9,268	11,687
Repairs and maintenance	5,273	14,965
Printing, postage and stationery	1,127	2,060
Advertising	1,609	1,662
Telephone	2,510	2,720
Computer costs	1,787	1,005
Members Meeting Expenses	5,757	2,494
Legal and professional	6,942	2,606
Accountancy	18,025	14,312
Bank charges	3,116	3,401
Credit card charges	4,168	4,851
General expenses	4,891	2,804
Auditor's remuneration	2,700	2,000
Depreciation of tangible fixed assets	8,121	6,847
	<u>315,979</u>	<u>368,920</u>
Finance		
Bank interest paid	<u>11,908</u>	-
Total Overheads	<u><u>327,887</u></u>	<u><u>368,920</u></u>

Dublin Food Co-Operative Society Limited
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
SCHEDULE 3 : MISCELLANEOUS INCOME
for the year ended 31 December 2018

	2018 €	2017 €
Miscellaneous Income		
Rent receivable - other income	7,095	11,569
Members Subscriptions	20,118	18,844
Sundry income	6,784	-
	<u>33,997</u>	<u>30,413</u>

Appendix 1. Agenda for AGM & SGM 2019

Agenda of Annual General Meeting 2019
Dublin Food Co-operative Society Limited

Wednesday 12th June 2019 at 6pm
Inchicore Sports and Social Club,
Library Square, Inchicore, Dublin 8

1. Welcome to AGM and Introduction to Agenda
2. Adopt Standing Orders
3. Adjourn for Special General Meeting
4. Annual Report & Financial Statements
 - a. Presentation of CB Report
 - b. Presentation of Financial Report
 - c. Presentation of Auditor Report
 - d. Presentation of General Manager Report
 - e. Questions and Answers
5. Resolution A: Adopt Annual Report Financial Statements 2018
 - a. 'THAT the Annual Report and Financial Statements together with the report of the auditors for the year ending 31 December 2018 be adopted by the society'
Proposed by Patrick Flynn, Seconded by Maureen O'Donnell
6. Resolution B: Appointment of Auditor
 - a. 'THAT Mark Glynn & Co be appointed as the auditors of the society until the next Annual General Meeting, with remuneration to be agreed with the Co-ordinating Body.'
Proposed by Patrick Flynn, Seconded by Maureen O'Donnell
7. Rotation of CB
 - a. Resolution C: Change to CB Composition
 - i. THAT the number of members of the Co-ordinating Body be fixed at nine [9]. Three [3] vacancies on the Co-ordinating Body shall fall to be filled at each Annual General Meeting of the Society and those elected to the Co-ordinating Body at each AGM shall hold office for a period of three years [3] ending at the time of the AGM three years thereafter when they shall resign but shall be eligible for re-election. Seats left vacant by resignation may also be filled by election at the AGM, the term being the balance of the term of the vacated seat. Each Co-ordinating Body member shall hold office for a maximum of two consecutive three-year terms, six years in succession

- b. Retirements and Nominations
- c. Ballot
- d. Election of CB members

8. Any Other Business

- a. Resolution D: Publication of CB decisions 15mins
 - i. 'THAT the Co-ordinating Body will publish regular summaries of the content of their meetings and important decisions balancing our society's principle of transparency with the need for confidentiality.'

Proposed by Sam Toland, Seconded by Kevin O'Farrell
- b. Resolution E: ICOS Membership 10mins
 - i. 'THAT the Dublin Food Co-operative Society will renew its affiliation with the Irish Co-operative Organisations Society until the Annual General Meeting held in 2020'
 - i. Proposed by Sam Toland, Seconded by Patrick Flynn

9. Adjourn Meeting

**Agenda of Special General Meeting 2019
Dublin Food Co-operative Society Limited**

**Wednesday 12th June 2019 at 6.15pm
Inchicore Sports and Social Club,
Library Square, Inchicore, Dublin 8**

1. Welcome to SGM and Introduction to Agenda
2. Standing Orders
3. Resolution A: Complete Amendment of Constitution
 - a. 'THAT a complete amendment of the Constitution (Rules) of the society as presented to this Special General Meeting be hereby approved'

Proposed by Sam Toland, Seconded by Filipa Ferraz
4. Adjourn Meeting

Appendix 2. Standing Orders for General Meetings

Standing Orders for General Meetings of Dublin Food Co-operative Society Ltd.

The following Standing Orders for General Meeting were adopted at a Special General Meeting held at Buswells Hotel, Molesworth Street, Dublin 2, on Wednesday 2nd December 1998 at 9pm, clause 6 was appended at a Special General Meeting held at Dublin Food Co-op, 12 Newmarket, Dublin 8, on 24th March 2011, at 7.30pm, clause 1 & 4 were amended at the Annual General Meeting held at the Inchicore Sports and Social Club, Library Square, Inchicore, Dublin 8 on 12th June 2019

- 1) The CB (Coordinating Body) will appoint a Chairperson for all General Meetings. The Chairperson will be impartial and will be entitled to a vote if a Member of the Co-op. The Chairperson may propose an adjournment of the business of a meeting from time to time for a period not exceeding one hour without the need to provide notice under 11(h) of the society's constitution.
- 2) The following may attend General Meetings: (i) All members and (ii) Invitees of the CB.
- 3) All Members may speak on any Motion. Invited guests may do so with the approval of the CB or the General Meeting.
- 4) The names of all candidates will be written on the ballot paper with a box opposite each name. Members may then vote for as many candidates as there are positions available by placing an "X" in the box. The candidates with the highest total number of votes will be deemed to be elected to the open positions, in order of votes received. In the event of a tie for the last place, another election will be held to choose between the tied candidates.
- 5) All proposers and seconders of motions/amendments will be entitled to address the Meeting for a maximum of three minutes. Other speakers entitled to address the Meeting may do so for a maximum of two minutes. All proposers will have the right to reply for a maximum of two minutes before the motion is decided. Extensions of the said time limits will be decided at the discretion of the facilitator.
- 6) The Co-ordinating Body and any mandated Working Groups shall provide the meeting, in advance, with a written report on their activities, indicating progress towards the fulfillment of any motions passed at preceding General Meetings.

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED
Kilmainham Square, Inchicore Road, Dublin 8 – info@dublinfood.coop – (01) 454 4258

Registered in Dublin with the Registrar of Friendly Societies. Society No. 4638R.

Appendix 3. – General Meeting Minutes from 2018

Minutes of a Special General Meeting Dublin Food Co-operative Society Limited

Wednesday 18th July 2018 at 6pm
Hilton Hotel, Kilmainham

Facilitator: David Dunn

Minute Takers: Tessa Cornally, Jennifer Winder-Baggot

Time-Keeper: Laurent Roger

CB Members in attendance: Patrick Flynn (Chair), Sam Toland (Secretary), Maureen O Donnell (Treasurer), Filipa Ferraz, Paul Farrell, Martin Obst, Thomas Hamann (Apologies). Dominik Chlebowski

Members in Attendance: 90 members (Quorate)

1. Welcome and Introduction of SGM Agenda

The meeting started at 18.15

Dave Dunn welcomed everyone to the meeting. He noted the importance of this meeting for the future of the Co-op.

Dave Dunn checked for quorum.

There were 90 members in attendance, and the meeting was quorate.

Dave noted the clear agenda and purpose for the meeting: to make an informed decision about the future of the co-op.

2. Adopt standing orders, timekeepers, minute takers

The standing orders were proposed for adoption.

Proposed Laurent Rodgers, Seconded by Stephen Winder Baggott.

Agreed by Consensus

Laurent Rogers proposed as timekeeper.

Proposed by Laurent Rogers, Seconded by Mary Gunning

Agreed by Consensus

Jennifer Winder Bagott was proposed as a minute-taker

Proposed by Sam Toland, seconded by Beirne Traynor

Tessa Cornally was proposed as a minute-taker

Proposed Monica Haughey, seconded by Paul Farrell.

3. Presentation on new Operating Premises – CB Chair 18.47

The Chair, Patrick Flynn gave a presentation on the state of affairs with a premises for the Co-op. He noted the need for speed and secrecy when it comes to negotiation premises, and that this sometimes can conflict with our co-operative values – particularly transparency.

However, Patrick noted that this will be the sixth members' meeting on premises in two years.

The presentation continued – which included a number of possible options for a new premises. These included a mixture of rental and purchase. He made the case for all three options. He noted that the CB had gone sale agreed on the premises in Kilmainham.

Members would be asked to rank their preferences in order. These would be counted in secret, and the CB would then seek to execute on the premises in order of priority.

4. Motion A – Decision on Operating Premises

There was a long discussion at the meeting concerning the Kilmainham premises, and the pros and cons of this premises for the future of the Co-op.

There was a discussion concerning authorising the CB to proceed with the preferences of the members after the meeting. Some members raised concerns about signing a black cheque. The motion was amended to reflect that the members wished to authorise the CB to proceed only with the premises outlined at this meeting, and to call another members meeting in the end they could not proceed with these premises.

Dave Dunn tested for consensus.

“IT IS RESOLVED, in supersession of all past motions in this regard, that the directors of the society (“The Co-ordinating Body”) are hereby fully authorised to acquire any operating premises presented at the Special General Meeting held on the 18th July 2018 for the purpose of carrying on the business of the society.”

Proposed by Patrick Flynn, Seconded by Sam Toland

Agreed by Consensus, as amended

5 . Motion B – Raising the Borrowing Limit of the Society

The Secretary spoke to the need for the members to approve any increase to the borrowing limit of the society, and acknowledged that there was no current agreed borrowing limit.

There was a discussion around the society's ability to meet the repayments of any loan, and the Secretary noted that the CB would only be entering into a loan agreement on the basis robust projections prepared by our finance team.

The current offer of a 95% loan from Community Finance Ireland was raised.

There were a number of questions around any liability arising that may affect ordinary members of the society. It was confirmed that the only loans being considered were secured against the property of the society and did not encompass personal guarantees from either the directors or ordinary members.

The Secretary briefly outlined the principle of limited liability for the benefit of members including that this was limited to the €1 share that each member held in the society.

“THAT the Society’s borrowing limit be increased to €750,000 in accordance with Rule 9 (a) of the Society’s Rules.”

Agreed by Consensus

6 . Motion C – Ratification of date for AGM 2018

The Secretary noted to the meeting that the CB had committed a technical breach of our Constitution by not calling an AGM yet.

He noted the reasons for this to the meeting, which concerned the precarious nature of the society and the potential issues arising from an AGM.

He noted that the CB had taken professional advice which recommended not holding an AGM until the premises situation was materially resolved.

The Secretary also noted that our Constitution has a particularly onerous requirement of holding the AGM within three months. It is standard practice within other co-operatives for this to be within the first six months.

There was a discussion around the reasons for delaying the AGM, and there were no objections to the motion.

“THAT the members of the Society ratify the decision of the Co-ordinating Body to delay the AGM until July 2018 due to the exceptional circumstances facing the society.”

Proposed by Sam Toland, Seconded by Patrick Flynn
Agreed by Consensus

Dave Dunn asked if the meeting wished to adjourn the meeting, given we had exceeded our expected time.

Agreed by Consensus

Dave thanked all who attended, and reminded everyone of the confidential nature of the discussions at this meeting.

Meeting Adjourned at 21.20

**Minutes of the Annual General Meeting
Dublin Food Co-operative Society Limited**

**Tuesday 31st July 2018 at 6pm
Fumbally Stables, Fumbally Lane, Dublin**

Facilitator – Dave Dunn

Minute takers – Isadora Gladstone-Gelman, Cillian O’Ruanaidh

Time keeper – Laurent Rogers

CB Members in attendance – Patrick Flynn (Chair), Sam Toland (Secretary), Maureen O’Donnell (Treasurer), Filipa Ferraz, Dominik Chlebowski, Martin Obst, Paul Farrell

Management Team in attendance – Aoife Hammond (Acting General Manager), Amy van den Broek

Members Present: 42 (Quorate)

1. Welcome and Introduction of AGM Agenda

Meeting started at 18.00

Dave Dunn welcomed everyone to the meeting and checked for quorum. There were 42 members in attendance, and the meeting was quorate.

Noted

Dave introduced the agenda and noted the need to keep to time given the full agenda. It was proposed to adopt the agenda.

Proposed by Dave Dunn, Seconded by Hannah Bagnell

Agreed by Consensus

2. Adopt standing orders, timekeepers, minute takers

It was proposed to adopt the standing orders as presented.

Proposed by Jennifer Winder-Baggot, Seconded by Amy van den Broek

Isadora Gladstone-Gelman and Cillian O’Ruanaidh were proposed as minute-takers.

Proposed by Sam Toland, Seconded by Laurent Rogers

Laurent Rogers was proposed as timekeeper.

Proposed by Peter Mansfield, Seconded by Darragh Binade

3. Adopt General Meetings Minutes

a. AGM held 7th April 2016

Sam Toland noted that this minutes were not approved at the last AGM due to corrections needing to be made. They were presented to this meeting in amended form.

Proposed by Shendo, Seconded by Rajna

Adopted by Consensus

b. AGM held 5th April 2017

There were no matters arising from these minutes.

Angela Duff proposed, seconded by Dott Fine

Agreed by Consensus

c. OGM held 17th August 2017

There were no matters arising from these minutes.

Adoption proposed by Amy Van Den Broek, seconded by Dott Fine

Agreed by Consensus

d. SGM held 18th October 2017

There were no matters arising from these minutes.

Proposed by Sam Toland, seconded by Eoin Dinan

Agreed by Consensus

Dave Dunn: Introduced Auditor Mark Glynn to review the report.

4. Financial Report

The audit of the society, Mark Glynn, was introduced by Dave Dunn.

The auditor noted that the accounts were circulated in advance of the meeting. He noted the huge disruption to the co-operative due to unforeseen events. He noted that there were a number of issues outstanding that raised issues around the Dublin Food Co-operative remaining as a going concern. He noted this was the reason for the recommended delay to the hold-

ing of the AGM.

As of the AGM, the Co-ordinating Body were reasonably confident that the co-operative will continue as a going concern because they are at the advanced stages of securing a new operating premises for the co-operative.

The auditor outlined the responsibilities of the CB to prepare accounts on a going concern basis unless it is inappropriate to view the co-operative as a going concern.

The auditor went through the audited accounts including the profit and loss, and the balance sheet for 2017.

The auditor noted that in note 4 of the audited accounts the co-operative does not have security after 31st July 2018, and the financial statements do not contain any adjustments in case of ceasing to be a going concern.

The auditor noted that in note 13 of the audited accounts that the Co-ordinating Body are currently dealing with a number of potential legal actions.

The auditor noted that there were no material uncertainties discussed.

John De Courcy queried extraordinary expenditure on staffing in the 2016. Dave Dunn recommended that as this was an issue pertaining to the 2016 accounts, that this be dealt with outside of the meeting.

Colm O'Connell queried the accountancy expenditure. The auditor answered that this related to additional accountancy support the co-operative had availed of.

Angela Farrell raised an issue concerning a possible action against our existing landlord for our eviction, claiming that if successful this would amount to a significant windfall for each member.

Members of the Co-ordinating Body explained the legal advice received does not support this claim. Sam T also noted that Rule 20[b] of our Constitution does not permit the distribution of a windfall to members in the event of the dissolution of the co-operative.

Adoption of Financial reports

It was proposed to adopt the financial reports.

Proposed by Hannah Bagenal, seconded by Cliona Devitt.
Agreed by Consensus

Adoption of Accounts

It was proposed to adopt the audited accounts as presented to the meeting.

Proposed Kevin O'Farrell, seconded by Maureen O'Donnell
Agreed by Consensus

Appoint auditor and agree remuneration

It was proposed to reappoint Mark Glynn as auditor of the co-operative, with remuneration to be agreed by the Co-ordinating Body.

Proposed by Jennifer Winder-Baggot, Seconded by Mark O'Connor
Agreed by Consensus

5 . Management, Directors' and Committee Reports

a. Management Report

The Acting General Manager was not able to be present at the meeting - but left a video message which members watched.

She noted the big changes, the challenges of the last year, the improvements in systems and process and commended the work of her colleagues - particularly Aoife Hammond, Amy van den Broek and Loris Paladino.

She also thanked Vera and Steven, who were leaving the Co-op after many years of service to the Co-op.

She explained that she would be going on maternity leave, and that Aoife Hammond would be assuming the role of Acting General Manager.

The Management Report was noted.

b. Chairperson Report

Patrick Flynn, Chair of the CB, gave a brief speech outlining the optimism he had in the future of the Co-op and asked members to have a little more patience regarding the resolution. The situation was close to be resolved in a positive way.

He noted the clarity within the Co-op at this time, about our mission and the future direction of the Co-op.

Dave Dunn invited questions.

Ailish commended the boldness and commitment members coming up with new ideas to address the challenges facing the Co-op.

Billie Matthews thanked the CB for their efforts, and queried the performance of the Co-op. Patrick noted that the disruption re: insurance had a marked effect on sales - and encouraged all members to continue shopping with the Co-op during this transitional period.

Another member queried if we had received compensations regarding the loss of premises to the wall falling down. Patrick noted that this would be a long process, and that there were no substantive updates at this time.

Filipa Ferraz commended Patrick in his role as Chair.

The Chairperson Report was noted

c. Secretary Report

Sam Toland gave a brief outline of how the challenges the Co-op had faced in 2018 had impacted on his role as Secretary. He looked forward to putting the premises issue behind us, and returning to a focus on address our administrative and governance challenges.

Eoin Dinan queried the value of join ICOS.

Sam Toland noted that the experience has been mixed so far, with subsidised training having been received through the ICOS Skillsnet and a certain degree of information advice received in addition to assistance with drafting motions for the last SGM.

However, there had not been the expected amount of template governance documents available amongst other issues.

Sam Toland would revert to the AGM with his settled view on remaining a member.

Member queried pending legal actions.

Sam Toland wasn't able to go into the details of these actions at present, on legal advice.

Member queried whether the management accounting consultancy had been tendered.

Sam Toland acknowledged that it has not - as the CB wished to extend the work of Loris Paladino who had initially begun to do smaller items of work on an ad-hoc basis.

The CB had assessed that the cost was appropriate, and that a tender would not have arrived at the lower cost or better quality work for the same price.

Member queried why the General Manager had not been advertised.

Sam Toland noted that the role was an 'acting' role, filled internally, and noted that once we had moved premises we would be in a position to fill the role on a permanent basis and that it

was the CB's current intention to advertise this openly.

Filipa Ferraz thanked Sam for all his efforts on premises and assisting with the administration of the Co-op.

The Secretary Report was noted

d. Treasurer Report

Maureen O' Donnell gave a brief report to members on the work carried out this year, and commended the work of Loris Paladino and others in preparing the CB and members in making a choice about our future model as a Co-op.

She noted that Loris' work has been well worth the investment.

The Treasurer Report was noted.

6 . Co-ordinating Body Rotation

a. Resignation of CB Members

Dave Dunn noted the CB members that were resigning at this AGM and thanked them for their service - Dominik Chelbowski serving his full term and Loris Paladino and Letitia Pefferkorn having resigned during the term.

Patrick Flynn and Martin Obst would be standing for re-election for another term.

b. Election of CB members

Dave Dunn noted that despite their being 7 vacancies on the Co-ordinating Body, that the CB were recommending to members that 1 seat be served for a future co-option of a member with financial experience. This was a condition of the Community Finance Ireland loan.

Dave Dunn asked members if there were any queries or objections that members wanted to make to this decision.

No queries or objections were made.

Dave Dunn also noted that a number of nominees were not able to make the AGM tonight, but are well known at the Co-op.

Dave Dunn asked members if there were any queries or objections that members wanted to make to those members standing for election.

It was noted that Letitia Pefferkorn was elected in absentia last year.

No queries or objections were made.

Each of the nominees, or their representatives, gave a short statement and answered a number of questions from the facilitator and members.

The nominees for the Co-ordinating Body were:-

Patrick Flynn
Aaron Jewell
Jennifer Winder-Baggot
Sarah Grey
Martin Obst
Kevin O'Farrell
Tessa Cornally

c. Break to count ballots

Hannah Bagnell and Jean Voydell offered to serve as returning officers, and ballots were distributed.

The meeting broke for 20 minutes to allow for voting and the counting of votes.

d. Announcement of ballot results

Dave Dunn was presented the results by the returning officers and deemed the following members elected:-

Patrick Flynn
Aaron Jewell
Sarah Grey
Martin Obst
Kevin O'Farrell
Tessa Cornally

7 . Motion A

Dave Dunn introduced motion A and Patrick Flynn spoke to the motion - noting that Loomio has become an integral part of CB decision-making processes.

CB members in attendance concurred.

There were no comments from members in attendance and the motion was moved.

"IT is proposed that the CB may continue to use an online decision-making platform as adopted at AGM 2017.

All CB members must register with the online decision making platform on taking office.

A CB decision is held to be valid if a quorum of current CB members vote on the proposal and the decision making process follows the decision making procedures outlined in our Constitution.

All such decisions (whether passed or defeated) must be ratified and recorded (including the full text of the proposal and the outcome of the vote) in the minutes of the next CB meeting."

Proposed by Sam Toland, Seconded by Filipa Ferraz

Agreed by Consensus

Dave Dunn thanked all the nominees for the CB, those who attended, the minute-takers and time-keepers.

Dave Dunn proposed that matters from past AGMs we discussed at a future meeting.

Noted

8. AGM adjourns

The meeting was adjourned at 21.45



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