

DUBLIN

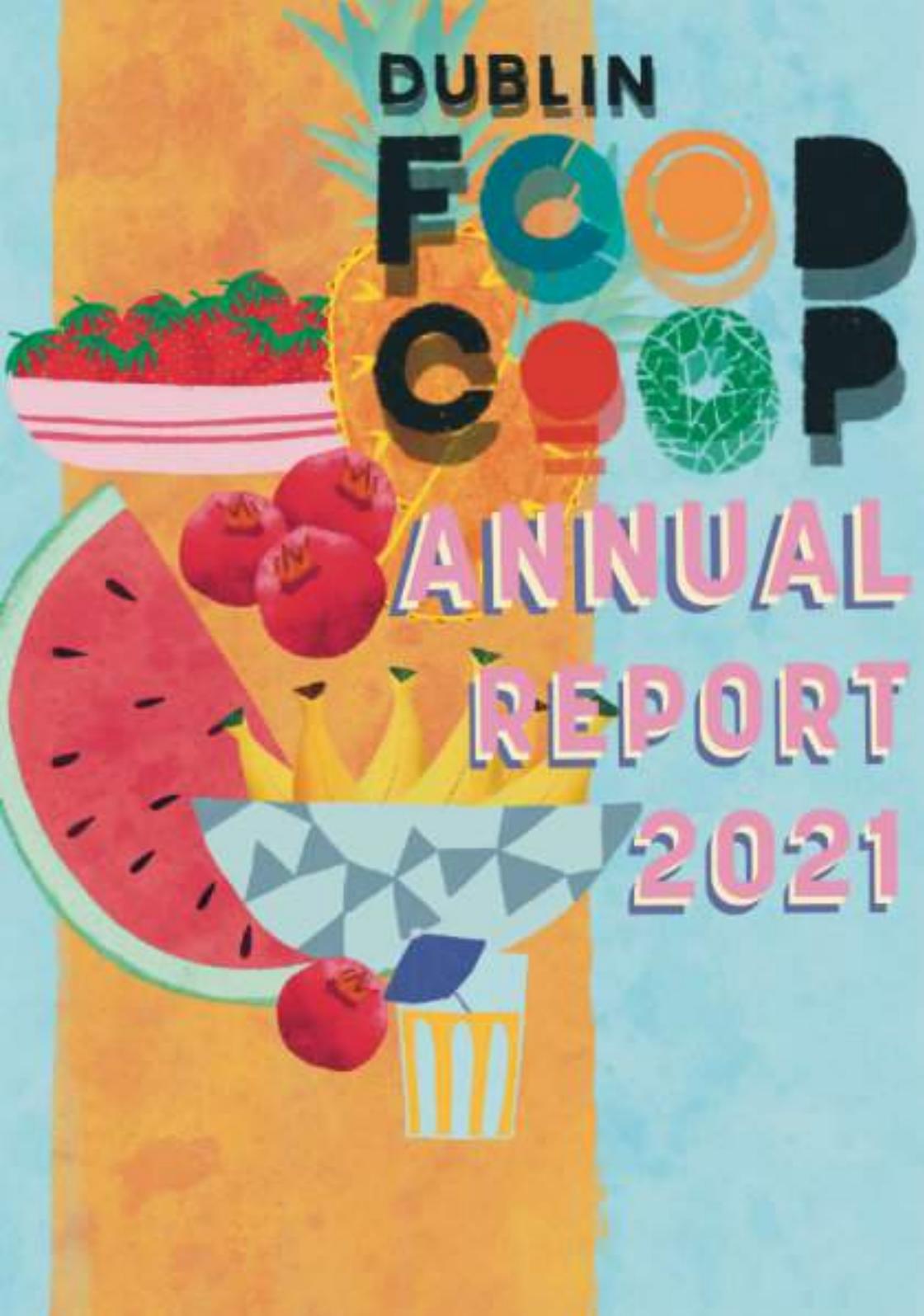
FOOD

COOP

ANNUAL

REPORT

2021



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## Welcome to the Annual Report for 2021.

This report is a way for you, as an engaged member of Dublin Food Co-op, to understand the activities and performance of your co-operative during 2021 and receive an update on the course we travelled over the year.

Over the last number of years, we have made great progress in expanding the scope, breadth and presentation of information outlined in the Annual Report. I have been very proud that we have been approached by both members and external stakeholders about the quality of the report.

It is with deep regret that we must prepare a pared back version of the Annual Report for the year ending 31st December 2021.

# SECRETARY'S REPORT

Sam Toland

As outlined in the Chair's Report, we were ultimately unsuccessful in recruiting a lasting General Manager and alongside our Shop Co-ordinator stepping down at the beginning of the year, I was required as the most senior member of the team to step into the role of Acting General Manager.

The last six months have been an extraordinarily challenging time with everything from weaker sales, turnover of staff, continued Covid-19 related absences, Brexit-related and Ukraine-related supply chain issues, alongside our own accumulated operational challenges which had built up during the worst of the pandemic.

This has meant that my duties as Secretary of Dublin Food Co-op have been firmly diminished, and I have been focused on the core duties required to keep us compliant with the legislation governing co-operatives.

A more detailed and explanatory Annual Report has been the primary casualty of this situation.

Despite all this, we have reports from the Chair and Members' Affairs Committee, along with audited financial statements for the year ending 31st December 2021.

All the information is there to help you understand the activities during 2021, and to formulate any questions you might have for the Co-ordinating Body at the upcoming Annual General Meeting.

I would encourage all members with an interest in the future success and recovery of Dublin Food Co-op to attend this year's AGM, and to otherwise consider getting more involved as a volunteer, MAC member or CB member.

**Yours in Solidarity,**  
**Sam Toland**  
**Co-operative Secretary**  
**Acting General Manager**

# CHAIRPERSON'S REPORT

Maureen O'Donnell

Dear Members,

2021 was a challenging year for Dublin Food Co-operative. As I reported in the year end message to members, there were many financial, operational, and societal issues which all seemed to come to the forefront in one massive disruption, not just for our co-operative but for Ireland and the world as a whole.

For the co-operative, we noticed a drop off in sales early in the year when restrictions were lifted and consumers began to return to pre-pandemic habits of dining out. This was further exacerbated when workers began to return to offices. The drop off in revenue was noticeable, as much as 20 to 30 percent lower sales in a given month from the prior year. While we staffed accordingly, and reduced orders to compensate for the lower turnover, there were inefficiencies in some of our ways of operating which were painfully revealed as a result of the lower revenue.

Additionally, as the year went on and supply chains continued to be strained through the dual burdens of BREXIT and Covid related labour shortages, we began to see wholesale prices increase. We tried to absorb as much of this as we could, but as you'll see from our financial statements, we suffered a loss and began, particularly later in the year (although by then revenue was stabilising a bit) to see cash flow issues.

Our efforts at recruiting a General Manager to take this challenge on were unsuccessful and we lost several other key staff. We also lost our tenant in Unit 2. All of this had a detrimental effect on our operations and our financial position, and put a strain on our culture.

I'm not painting this picture to scare you, although it is scary news in many respects, but instead to give you insight into the existential challenges we've been

wrestling with this past year. Never before, certainly not in my decade of membership, have we seen disruption of this scale and scope. And we're not alone...co-operatives and other small businesses all over Ireland are facing similar crises. 2022 is thus far continuing the lower revenue, supply chain instability, price inflationary trends we saw in 2021 and as a result we've had to make tough decisions meant to protect our future.

Some of these decisions include holding off on hiring another General Manager, choosing not to replace staff when they leave and cutting back on administrative duties. We've also increased prices on some goods in line with market trends, and while sensitive to our mission of affordable food, we are trying to balance this with maintaining margins and minimising losses.





It's not all doom and gloom though. Just to say a few words regarding the bright spots we've seen during the darkness of 2021. There has been a lot of effort made by the Members' Affairs Committee to bring members together as a representative voice for our future. The community programmes as well as discussions that have resulted from those programmes have been truly inspirational and have brought us closer together as a co-operative.

Staff have been unfailingly dedicated to their work and have supported us with their effort and skills even in some of the most difficult conditions. And our volunteers have similarly done Trojan work to support the co-operative's initiatives. This work, and the resulting successes we've had were our bright spots

of last year. And it's our staff, our volunteers, and our membership that form the community which continues to be our strength and ensure our sustainability.

#### **So what does 2022 hold?**

More challenges. More change. More disruption.

But there's also more innovation. More members. More events. More resilience!

This is what I hope and believe anyway. If we didn't have such brilliant people supporting our collective aims I'd be worried. If we had lost our sense of community I'd be worried. But the last few years, while incredibly stressful, have seemed to have brought us together in many ways, evidencing a deep and

abiding commitment to our co-operative aims. Just one example of this was a slight bump in sales after the February message came out, asking for member support. We asked and you responded, and it made a difference. Everything you do in support of the Co-op continues to make a difference.

This was my last year as Chair of the Co-ordinating Body and while it would have been a much easier role to fill during less challenging times, I'm grateful for the opportunity to serve. I'm also grateful for my colleagues on the CB who have made my role easy by being such a strong and dedicated group.

The Co-ordinating Body is a very strong and collaborative group. It's actually a brilliant time to join the CB if you're interested. While we are looking for some very specific skills (HR, Strategy, Finance, Retail) the most important qualification is a desire to serve the co-operative, and the ability to work amongst a team of truly outstanding leaders.

If you're interested in joining the CB please contact [chair@dublinfood.coop](mailto:chair@dublinfood.coop) for more information. While we vote annually on CB membership, interested members can volunteer to join at any time and be co-opted.

## **It's a brilliant time to join the Co-ordinating Body...the most important qualification is a desire to serve the co-operative**

I'd especially like to thank Sam Toland who has been acting as our Interim GM for much longer than I'm sure he intended to. While each and every member of staff, volunteer, member and customer has made a difference, Sam took on the GM challenge when no one else could and he has not just filled in, but has demonstrated exactly the kind of leadership that we hoped to see in the GM role. He has been an inspiration to us all.

Wishing you and your families the best for 2022.

Yours in co-operation,

**Maureen O'Donnell**  
**Co-ordinating Body Chair**

A member's visit to Cherry Orchard Community Gardens in October 2021



## SUPPORTING LOCAL SUPPLIERS

We have maintained our continued support of local suppliers and members, like illustrator Enagh Farrell. Our network of local small businesses, projects and growers is always a key factor in what we do.



# MEMBERS' AFFAIRS COMMITTEE REPORT

Robert Cazaciuc  
MAC Facilitator

The Members' Affairs Committee is a very active group with great levels of engagement. Meetings on various topics as well as social events have been held on a monthly or bi-monthly basis since April 2021, with the first several months focused on the structure and governance of the committee. A variety of discussion points have been raised and discussed with a particular focus on: DFC Purchasing Policy, Unit 2 Developments, volunteering and most recently, members and volunteers discounts.

## Key objectives and activities

The committee was set up as an avenue to increase members' engagement with the Co-op and was inspired by similar initiatives in other co-operatives. The key objectives of the MAC are defined in the Terms of Reference document which was drafted in June 2021.

### There are 7 agreed objectives, with the top 3 being:

1. Provide members with a forum for airing their ideas and concerns about the Co-op, and support them to interface effectively with the organisation;
2. Review and make recommendations to the Co-ordinating Body on the co-operative's Purchasing and Merchandising Policy;
3. Make recommendations to the Co-ordinating Body and Senior Management on events and other member and outreach activities.

The range of activities from the last 12 months included: online meetings, in-person meetings, pot-luck social events and joint workshops with the CB. This variation has been positively received with relatively high numbers of engagement across most events. One of the key learnings has been the importance of having a member of staff or CB attend MAC events to help provide context and expertise in the key areas discussed. Without this continued support, the meetings would lack depth and probably result in less community engagement.

### Committee Membership

The committee is currently formed of a single permanent role, called the MAC Facilitator. The role is currently fulfilled by Robert Cazaciuc and this is expected to continue for the foreseeable future.

On average, the MAC meetings have had an attendance of 10 to 20 members which is seen as a healthy number. The combination of pot-luck social events and MAC meetings have attracted a diverse set of people and we hope this will continue.

There is currently a dedicated mailing list for the group at **membersaffairs@dublinfood.coop** with 83 current members registered. There is also a dedicated MAC Facilitator email address at **mac.facilitator@dublinfood.coop**.

The draft Terms of Reference puts forward a proposal for a more formal structure to the committee and membership. Since future plans include a degree of autonomy on certain initiatives, the membership and voting guidelines would need to be ratified by the CB to ensure a fair and transparent process.

## FUTURE GOALS

- Agree and sign-off the MAC Terms of Reference with the CB
- In particular, agree on the range on initiatives and activities where the MAC could have a degree of autonomy; this would involve agreeing budgets and funding options that can ensure a sustainable approach
- Continue with the monthly events and range of activities that have worked well so far



# FINANCIAL REPORT 2021



THE DUBLIN FOOD  
CO-OPERATIVE SOCIETY

CO-ORDINATING BODY  
ANNUAL REPORT AND  
FINANCIAL STATEMENTS

*for the year ended  
31 December 2021*

CO-ORDINATING BODY ANNUAL REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 December 2021

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CO-ORDINATING BODY AND OTHER INFORMATION

CO-ORDINATING BODY	Maureen O'Donnell - Chair Paolo Bostrenghi - Treasurer Bróna Ní Chobhthaigh Jonas Poulsen Brigid Corcoran (elected 23 June 2021) Elena San Juan Grande (elected 23 June 2021)
	Marina Lambrakis (co-opted 11 November 2021)
	Filipa Ferraz (resigned 23 June 2021) Rose McCaul (resigned 13 September 2021) Grace Wilentz (resigned 13 April 2021)
CO-OPERATIVE SECRETARY	Sam Tolland
REGISTERED OFFICE AND BUSINESS ADDRESS	Kilmainham Square Inchicore Road Dublin 8
SOCIETY NUMBER	4638 R
BANKERS	Ulster Bank 63 Ranelagh Dublin 6
	Ulster Community Investment Trust (Ireland) Unit 16, Ardee Business Park Hale Street Ardee Co. Louth
	Donore Credit Union Limited 22 Rutledge Terrace South Circular Road Dublin 8
SOLICITORS	Gary Daly and Company 111 The Capel Building Mary's Abbey Dublin 7
AUDITORS	Hayden Brown Chartered Accountants Grafton Buildings 34 Grafton Street Dublin 2

**CO-ORDINATING BODY ANNUAL REPORT**  
for the year ended 31 December 2021

The Co-Ordinating Body presents its report and the audited financial statements for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS INCLUDING COVID-19**

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

The Dublin Food Co-Operative Society Limited (DFC) entered 2021 having dealt with the initial difficult challenges posed by the COVID-19 pandemic which commenced in March 2020 and unfortunately are ongoing in 2022. At the time of approving the financial statements, the Co-Operative is exposed to the continuing effects of the COVID-19 pandemic.

The COVID pandemic had several initial significant impacts on our activities in 2020 which continued to different degrees in 2021 and included:

- Continued amendments to strategic objectives and operational plans, along with new contingency planning to manage the impacts of COVID.
- Significant restructuring of staffing to meet social distancing restrictions and reduction in volunteer numbers.
- All physical events were in the main cancelled or postponed.
- Management and support teams continued to work remotely which required significant changes to work practices;
- Meetings of Co-Ordinating Body and committees continued online, with an increased frequency in meetings to ensure that issues were dealt with in a timely manner.
- The increase in overall sales experienced for much of 2020 did not continue in 2021 as Covid-19 restrictions were gradually lifted and buying habits changed.

In addition to Covid-19 we had the impact of Brexit which affected our supply chain and nationally labour shortages emerged. Despite these difficult challenges, the hard work of our staff and volunteers has allowed us to maintain our essential service during the continuing pandemic and we wish to thank members for their continued support and custom as we navigated this difficult year and face the challenges of 2022.

**CO-ORDINATING BODY ANNUAL REPORT**  
for the year ended 31 December 2021 (*Continued*)

SUMMARY OF FINANCIAL RESULTS	2021 €	2020 €
Trading income	1,068,014	1,287,411
Operating (deficit) surplus before exceptional items	(12,125)	71,803
Exceptional (expense)/income	(10,155)	-
Operating (deficit) surplus after exceptional items	(22,280)	71,803
Interest charges	(29,227)	(33,644)
Interest income	-	199
Taxation	(1,867)	(3,203)
Net operating (deficit) surplus for the year after taxation	(53,374)	35,155

The Co-Ordinating Body was aware that 2020 was an exceptional year for grocery sales in Ireland. While elevated levels were maintained in the first quarter of 2021 the rest of 2021 was disappointing and resulted in an overall sales decline for 2021 of €219,000 or 17% as against 2020.

This translated into a trading deficit of €12,125 and after allowing for an exceptional item, interest charges and taxation the final deficit for the year was (€53,374).

The trend established at the end of 2021 has continued into 2022 and the Co-Ordinating Body and management team are reducing operating expenses to help ensure the best possible outturn for 2022.

Despite the financial challenges the Co-Ordinating Body continues to focus on improving core services to the Co-Operative's members, pursuing the implementation of the most sustainable, appropriate and efficient means of providing these services and expanding our impact in the areas of education, advocacy and community development centred on our Co-Operative and sustainability ethos.

**CO-ORDINATING BODY AND SECRETARY**

The Co-Ordinating Body who served throughout the financial year, except as noted, are listed on page 2. The secretary who served throughout the year was Sam Toland.

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

**CO-ORDINATING BODY ANNUAL REPORT**  
for the year ended 31 December 2021 (*Continued*)

**FUTURE DEVELOPMENTS**

The core enterprise objective of the society is maintaining financial sustainability and to ensure repayment of borrowings and rebuilding 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.

**STATEMENT OF RELEVANT AUDIT INFORMATION**

In the case of each of the persons who are members of the Co-Ordinating body at the time the Co-Ordinating Body's Report and Financial Statements are approved:

- (a) As far as the members of the Co-Ordinating body are aware, there is no relevant audit information of which the Society's statutory auditors are unaware, and
- (b) Each member of the Co-Ordinating Body has taken all steps appropriate to make themselves aware of any relevant audit information and to establish that the Society's statutory auditors are aware of that information.

**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 Society's office at Kilmainham Square, Inchicore Road, Dublin 8.

**AUDITORS**

The auditors, Hayden Brown, Chartered Accountants, have indicated their willingness to continue in office, should members resolve at the AGM to re-appoint them.

Approved by the Co-Ordinating Body on 13 June 2022 and signed on its behalf by:

*Maureen O'Donnell*  
Chair

*Paolo Bostrenghi*  
Treasurer

**STATEMENT OF CO-ORDINATING BODY RESPONSIBILITIES**  
for the year ended 31 December 2021

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 is required to:

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

The Co-Ordinating Body confirms that it has 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 Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Co-Ordinating Body on 13 June 2022 and signed on its behalf by:

*Maureen O'Donnell*  
Chair

*Paolo Bostrenghi*  
Treasurer

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE DUBLIN FOOD CO-OPERATIVE SOCIETY**

**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 2021 which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Members' Funds, Statement of Cash Flows and the related notes to the financial statements, including 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" issued in the United Kingdom by the Financial Reporting Council.

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 2021 and of its results 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 the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the Co-Ordinating Body's 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 Society'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 Co-Ordinating Body with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE DUBLIN FOOD CO-OPERATIVE SOCIETY (*Continued*)**

***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 course of 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 this gives rise to 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. In our opinion the accounting records of the society were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

**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 in accordance with applicable financial reporting framework 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 the Co-Ordinating Body either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE DUBLIN FOOD CO-OPERATIVE SOCIETY (*Continued*)**

***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 10, 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 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.

***Stephen Brown***  
***for and on behalf of:***  
**Hayden Brown**  
**Chartered Accountants and Statutory Audit Firm**  
**Grafton Buildings**  
**34 Grafton Street**  
**Dublin 2**

**13 June 2022**

**APPENDIX TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE DUBLIN FOOD CO-OPERATIVE SOCIETY**

***Further information regarding the scope of our responsibilities as auditors***

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 Society'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 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 Society'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 Society 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.

**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 December 2021

	Note	2021 €	2020 €
Trading Income		1,068,014	1,287,411
Expenditure		(1,163,349)	(1,281,960)
Operating (deficit)/surplus for the year	5	(95,335)	5,451
Miscellaneous income	6	83,210	66,352
Exceptional item - expense	7	(10,155)	-
(Deficit)/surplus for the year before interest			(22,280)
71,803			
Interest payable and similar expenses	8	(29,227)	(33,644)
Interest income		-	199
(Deficit)/surplus for the year before taxation			(51,507)
38,358			
Taxation on (deficit)/surplus	9	(1,867)	(3,203)
(Deficit)/surplus for the year after taxation		(53,374)	35,155
Total comprehensive income		<u>(53,374)</u>	<u>35,155</u>

Approved by the Co-Ordinating Body on 13 June 2022 and signed on its behalf by:

**Maureen O'Donnell**  
Chair

**Paolo Bostrenghi**  
Treasurer

The notes on pages 16 to 24 form an integral part of these financial statements

**BALANCE SHEET**  
as at 31 December 2021

	Note	2021 €	2020 €
<b>ASSETS EMPLOYED</b>			
<b>FIXED ASSETS</b>			
Tangible assets	10	697,431	699,834
<b>CURRENT ASSETS</b>			
Stocks	11	36,872	41,571
Debtors	12	10,153	25,293
Cash at bank and in hand		43,673	71,425
<b>CREDITORS (amounts falling due within one year)</b>	13	(185,045)	(191,297)
<b>NET CURRENT LIABILITIES</b>		(94,347)	(53,008)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		603,084	646,826
<b>CREDITORS (amounts falling due after more than one year)</b>	14	(500,191)	(491,868)
<b>DEFERRED CAPITAL GRANTS</b>	16	(7,259)	(5,845)
<b>NET ASSETS</b>		<u>95,634</u>	<u>149,113</u>

**REPRESENTED BY**

**RESERVES:**

Capital, members' shares	1,371	1,476
Retained reserves	94,263	147,637

<b>MEMBERS' FUNDS</b>	<u>95,634</u>	<u>149,113</u>
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Approved by the Co-Ordinating Body on 13 June 2022 and signed on its behalf by:

**Maureen O'Donnell**  
Chair

**Paolo Bostrenghi**  
Treasurer

The notes on pages 16 to 24 form an integral part of these financial statements

**RECONCILIATION OF MEMBERS' FUNDS**  
as at 31 December 2021

	<i>Retained Reserves</i> €	<i>Members' shares</i> €	<i>Total</i> €
At 1 January 2020	112,482	1,974	114,456
Surplus for the year	35,155	-	35,155
Other movements in members' funds	-	(498)	(498)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	147,637	1,476	149,113
(Deficit)/surplus for the year	<b>(53,374)</b>	-	<b>(53,374)</b>
Other movements in members' funds	-	<b>(105)</b>	<b>(105)</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2021	<b><u>94,263</u></b>	<b><u>1,371</u></b>	<b><u>95,634</u></b>

**CASH FLOW STATEMENT**  
for the year ended 31 December 2021

	2021 €	2020 €
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the financial year before taxation	(51,507)	38,358
<i>Adjustments for:</i>		
Depreciation of tangible assets	21,368	17,307
Amortisation of capital grants	(1,156)	(835)
Interest payable and similar expense	29,227	33,644
<i>Changes in:</i>		
Stocks	4,699	(7,192)
Trade and other debtors	15,140	(13,400)
Trade and other creditors	(6,252)	42,943
	_____	_____
Cash generated from operations	11,519	110,825
Taxation paid	-	-
	_____	_____
Net cash generated from operations	11,519	110,825
	_____	_____
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(18,965)	(13,144)
	_____	_____
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term loans	8,323	(38,652)
Interest paid on borrowings	(29,227)	(33,644)
(Decrease) in members' shares	(105)	(498)
	_____	_____
	(21,009)	(72,794)
	_____	_____
Net (decrease)/increase in cash and cash equivalents	(27,752)	24,887
Cash and cash equivalents at beginning of year	71,425	46,538
	_____	_____
Cash and cash equivalents at end of year	<u>43,673</u>	71,425

**CASH FLOW STATEMENT**  
for the year ended 31 December 2021 (*Continued*)

	At 1 January 2021 €	Cash flows €	At 31 December 2021 €
ANALYSIS OF CHANGES IN NET DEBT			
<i>Cash and cash equivalents</i>			
Cash	71,425	(27,752)	43,673
	_____	_____	_____
<i>Borrowings</i>			
Debt due within one year	(81,626)	3,124	(78,502)
Debt due after one year	(491,868)	(8,323)	(500,191)
	_____	_____	_____
	(573,494)	(5,199)	(578,693)
	_____	_____	_____
<b>TOTAL</b>	<u>(502,069)</u>	<u>(32,951)</u>	<u>(535,020)</u>

NOTES TO THE FINANCIAL STATEMENTS  
 31 December 2021

1. GENERAL INFORMATION

Dublin Food Co-Operative Society Limited is incorporated in the Republic of Ireland. Its registered office is at Kilmainham Square, Inchicore Road, Dublin 8, 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 Society.

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 2021 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".

**Income**

Trading income represents the total invoice value, excluding value added tax, of sales made during the year. Members' subscriptions are accounted for when they are received.

**Life time memberships**

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

**Tax status**

The Society is liable to corporation tax on its non-mutual income i.e. net trading income from non-members, interest income and on its net rental 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
Fixtures, fittings and equipment	12.5%	Straight line

NOTES TO THE FINANCIAL STATEMENTS  
 31 December 2021 (Continued)

2. ACCOUNTING POLICIES (Continued)

**Tangible fixed assets and depreciation (Continued)**

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.

**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 income and expenditure 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.

**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 Co-Ordinating Body members 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.

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2021 (Continued)

2. ACCOUNTING POLICIES (Continued)

**Government grants**

Grants are recognised at fair value of the asset receivable using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below:

**(a) Tangible fixed assets**

In note 10 to the financial statements, land and buildings are stated at cost less depreciation, because the market value taking into account the possible other uses for the land and buildings is not currently significantly different.

**(b) COVID**

Like many businesses, the Dublin Food Co-Operative Society is exposed to the effects of the COVID pandemic. The Co-Ordinating Body has prepared budgets and cash flows for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the Society's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Co-Ordinating Body considers it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Society was unable to continue as a going concern. The financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2021 (Continued)

4. EMPLOYEES

The average monthly number of employees during the year 18 (2020: 19). The Society also receives the support of volunteers for various activities.

	2021 Number	2020 Number
Retail operations and administration	18	19
The staff costs comprise:	€	€
Gross wages and salaries	276,902	255,620
Social welfare costs	26,595	24,256
	<u>303,497</u>	<u>279,876</u>

5. OPERATING (DEFICIT)/SURPLUS FOR THE YEAR

The operating (deficit)/surplus is stated after charging:

	2021 €	2020 €
Depreciation of tangible fixed assets	21,368	17,307
Auditor's remuneration for audit of financial statements	4,100	3,000
and after crediting:		
Amortisation of capital grants	1,156	835

6. MISCELLANEOUS INCOME

	2021 €	2020 €
Revenue based grants - website development	37,103	16,285
Rent receivable - other income	24,739	26,988
Members' subscriptions	19,775	20,366
Sundry income	1,593	2,713
	<u>83,210</u>	<u>66,352</u>

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2021 (Continued)

7.	EXCEPTIONAL ITEM	2021 €	2020 €
	Write off of payment in respect of new awning	<u>10,155</u>	<u>-</u>
8.	INTEREST PAYABLE AND SIMILAR EXPENSES	2021 €	2020 €
	Interest on bank loans	<u>29,227</u>	<u>33,644</u>
9.	TAXATION ON (DEFICIT)/SURPLUS	2021 €	2020 €
(a)	<i>Analysis of charge in the year:</i>		
	Corporation tax	<u>1,867</u>	<u>3,203</u>
(b)	<i>Factors affecting tax charge for the year:</i>		
	The tax assessed for the year differs from the standard rate of corporation tax in the Republic of Ireland 12.50% (2020: 12.50%). The differences are explained below:		
		2021 €	2020 €
	(Deficit)/surplus for the year before taxation	<u>(51,507)</u>	<u>38,358</u>
	(Deficit)/surplus for the year before taxation multiplied by the standard rate of corporation tax in the Republic of Ireland at 12.50% (2020: 12.50%)	<u>(6,438)</u>	<u>4,794</u>
	<i>Effects of:</i>		
	Utilisation of tax losses	<u>3,638</u>	<u>-</u>
	Other, including effect of higher taxation rates applicable to non-trading rental income	<u>933</u>	<u>(1,591)</u>
	Total taxation charge for the year (see Note 9 (a))	<u>1,867</u>	<u>3,203</u>

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2021 (Continued)

10.	TANGIBLE FIXED ASSETS	Freehold land and buildings €	Fixtures, fittings and equipment €	Total €
	At 1 January 2021	705,501	30,212	735,713
	Additions	-	18,965	18,965
	At 31 December 2021	<u>705,501</u>	<u>49,177</u>	<u>754,678</u>
	At 1 January 2021	30,575	5,304	35,879
	Charge for year	14,110	7,258	21,368
	At 31 December 2021	<u>44,685</u>	<u>12,562</u>	<u>57,247</u>
	At 31 December 2021	<u>660,816</u>	<u>36,615</u>	<u>697,431</u>
	At 31 December 2020	<u>674,926</u>	<u>24,908</u>	<u>699,834</u>
11.	STOCKS		2021 €	2020 €
	Finished goods and goods for resale		<u>36,872</u>	<u>41,571</u>
	The replacement cost of stocks did not differ significantly from the figures shown.			
12.	DEBTORS		2021 €	2020 €
	Prepayments		<u>7,090</u>	<u>5,475</u>
	Taxation		<u>2,561</u>	<u>2,561</u>
	Other debtors		<u>502</u>	<u>17,257</u>
			<u>10,153</u>	<u>25,293</u>

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2021 (Continued)

13. CREDITORS (amounts falling due within one year)	2021 €	2020 €
Trade creditors	72,896	62,905
Community Finance Ireland loan - secured	63,000	53,672
Accruals	12,803	21,212
Taxation - VAT	10,306	9,684
Credit Union loan	9,524	10,317
Members' loans	5,978	17,637
Taxation - Corporate	5,070	3,203
Taxation - PAYE and PRSI	3,725	6,423
Deferred income - lifetime membership	1,743	6,244
	<u>185,045</u>	<u>191,297</u>

The amount owed to Community Finance Ireland is secured (see Note 15).

14. CREDITORS (amounts falling due after more than one year)	2021 €	2020 €
Community Finance Ireland	438,340	433,851
Credit Union loan	34,955	39,107
Members' loans	26,896	18,910
	<u>500,191</u>	<u>491,868</u>

**Loans:**

Repayable in one year or less, or on demand (see Note 13)	78,502	81,626
Repayable between one and two years	97,268	68,151
Repayable between two and five years	168,364	204,554
Repayable in five years or more	234,559	219,163
	<u>578,693</u>	<u>573,494</u>

The amount owed to Community Finance Ireland is secured (see Note 15).

15. DETAILS OF SECURITY LOAN

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. Community Finance Ireland holds a first legal charge over two adjoining retail units at Kilmainham Square, Inchicore Road, Dublin 8.

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2021 (Continued)

16. DEFERRED CAPITAL GRANTS	2021 €	2020 €
Balance at beginning of year	5,845	-
Grant received during the year	2,570	6,680
Amortised during the year	(1,156)	(835)
	<u>7,259</u>	<u>5,845</u>

17. STATUS

The liability of the Society's members is limited.

Every member of the Society undertakes to contribute to the assets of the Society 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.

18. CAPITAL COMMITMENTS

The society had no material capital commitments at 31 December 2021 (2020: nil).

19. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events affecting the Society since the year end that would require adjustment to or additional disclosure in the financial statements for the year ended 31 December 2021. The potential impact of COVID has been discussed by the Co-Ordinating Body in its annual report on pages 3 to 5.

20. TRANSACTIONS WITH CO-ORDINATING BODY

Two members of the Co-Ordinating Body received remuneration as an employee in the amount of €9,001 in respect of 2021 (2020: €6,935).

A member of the Co-Ordinating Body who had given an unsecured loan to the Co-Op of €1,000 was repaid in 2021 plus interest of €37.96 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

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*Continued*)

### 21. MEMBERS' SHARES

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

### 22. COMPARATIVE FIGURES

Comparative figures have been regrouped on a basis consistent with the current year. Trading income and miscellaneous income are shown separately in the income and expenditure account having been combined in the previous year.

### 23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Co-Ordinating Body on 13 June 2022 and signed on its behalf by:

*Maureen O'Donnell*  
*Chair*

*Paolo Bostrenghi*  
*Treasurer*

SUPPLEMENTARY INFORMATION  
RELATING TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021

*NOT COVERED BY THE REPORT OF THE AUDITORS*

**TRADING STATEMENT**  
for the year ended 31 December 2021

	<b>2021</b>	<b>2020</b>
	€	€
Trading income	1,068,014	1,287,610
Cost of sales ( <i>Schedule 1</i> )	<b>(753,789)</b>	(897,929)
	<hr/>	<hr/>
Gross surplus	314,225	389,681
	<hr/>	<hr/>
<i>Gross surplus percentage</i>	<b>29.4%</b>	
<i>30.2%</i>		
	<hr/>	<hr/>
Overhead expenses ( <i>Schedule 2</i> )	<b>(438,787)</b>	(417,874)
Exceptional item	<b>(10,155)</b>	-
	<hr/>	<hr/>
	<b>(448,942)</b>	(417,874)
	<hr/>	<hr/>
Deficit before miscellaneous income	<b>(134,717)</b>	(28,193)
Miscellaneous income ( <i>Schedule 3</i> )	<b>83,210</b>	66,352
Interest income	-	199
	<hr/>	<hr/>
Net (deficit)/surplus for the year before taxation	<b><u>(51,507)</u></b>	<u>38,358</u>

**SCHEDULES TO THE TRADING STATEMENT**  
for the year ended 31 December 2021

	<b>2021</b>	<b>2020</b>
	€	€
<b>SCHEDULE 1 - COST OF SALES</b>		
Opening stock	41,571	34,379
Purchases	<b>749,090</b>	905,121
	<hr/>	<hr/>
	<b>790,661</b>	939,500
	<hr/>	<hr/>
Closing stock	<b>(36,872)</b>	(41,571)
	<hr/>	<hr/>
Balance at end of year	<b><u>753,789</u></b>	<u>897,929</u>

SCHEDULES TO THE TRADING STATEMENT  
for the year ended 31 December 2021 (*Continued*)

SCHEDULE 2 - OVERHEAD EXPENSES	2021	2020
	€	€
<i>Administrative expenses</i>		
Wages and salaries	276,902	255,620
Social welfare costs	26,595	24,256
Depreciation of tangible fixed assets	21,368	17,307
Web and e-commerce development	19,606	7,628
Premises rental / licences and rates	9,130	10,677
Insurance	8,489	8,433
Computer costs	6,899	14,684
Bank merchant charges	6,334	7,195
Light and heat	5,674	5,784
Repairs and maintenance	5,150	8,150
Staff training	4,422	6,308
Auditor's remuneration	4,100	3,000
Professional fees	3,500	3,344
Telephone	2,214	2,382
Legal fees	2,188	1,793
Bank charges	1,927	2,057
Printing, postage and stationery	1,585	1,169
Members' meeting expenses	1,412	3,540
Community development programme	1,294	-
Advertising	1,279	330
General expenses	328	(1,070)
Motor travel expenses	320	2,478
Amortisation of capital grants	(1,156)	(835)
	<u>409,560</u>	<u>384,230</u>
<i>Finance expenses</i>		
Bank interest paid	29,227	33,644
	<u>438,787</u>	<u>417,874</u>

SCHEDULES TO THE TRADING STATEMENT  
for the year ended 31 December 2021 (*Continued*)

SCHEDULE 3 - MISCELLANEOUS INCOME	2021	2020
	€	€
Grants - website development	37,103	16,285
Rent receivable - other income	24,739	26,988
Members' subscriptions	19,775	20,366
Sundry income	1,593	2,713
	<u>83,210</u>	<u>66,352</u>