

REPORTS AND FINANCIAL STATEMENTS

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2012

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FOR THE YEAR ENDED 31 DECEMBER 2012

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DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Pirooz Daneshmandi (Chairperson)
Eileen Fitzsimons (Secretary)
Nick Shortt (Treasurer)
Helen Bennett
Larry Gordon
Laurent Roger
Mai Ryan
Christy Stapleton
Christine Warner

SECRETARY

Eileen Fitzsimons

AUDITORS

Martin C. Nolan and Company,
Chartered Accountants,
50, Dargle Wood,
Knocklyon,
Dublin 16.

PRINCIPAL BANKERS

National Irish Bank,
98 South Circular Road,
Leonards Corner,
Dublin 8.

Ulster Bank,
33 College Green,
Dublin 2.

SOLICITORS

Fitzsimons Redmond,
18 Herbert Street,
Dublin 2.

REGISTERED OFFICE

12 Newmarket,
Dublin 8.

REGISTERED NUMBER (Registrar of Friendly Societies)

4638 R

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited financial statements of the Society for the year ended 31 December 2012.

Principal activities

The principal activities of the Society consist of the provision of whole foods and ecologically acceptable products to its members.

Results

Turnover for 2012 amounted to €719,324 (2011: €679,873). The turnover is considered to be satisfactory. The Society had a surplus for 2012, after tax, of €62,913 (2011: €10,547).

Directors/Co-ordinating body

The current list of board members is set on page 2. The following directors resigned during the year: Tim Cookson, Rob Dunlop, Catherine Fitzgerald, Mary Gunning and Lino Olivierie.

Transactions Involving Directors

There were no contracts or transactions in relation to the business of the Society in which the Directors had any interest at any time during the year ended 31 December 2012.

Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Society are maintained at 12 Newmarket, Dublin 8.

Auditors

Martin C. Nolan and Company, Chartered Accountants and Registered Auditors, offer themselves for re-appointment in accordance with Rule 12b (111).

On behalf of the board:

DIRECTOR: Pirooz Daneshmandi

DIRECTOR: Nick Shortt

26th February 2013

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 profit or loss of the Society for that period. In preparing those financial statements, the directors 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 Society will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Society and which enables them to ensure that the financial statements comply with the Industrial and Provident Societies Acts, 1893 to 1978. 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.

On behalf of the board:

DIRECTOR: Pirooz Daneshmandi

DIRECTOR: Nick Shortt

26th February 2013

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED**

We have audited the financial statements of the Dublin Food Co-operative Society Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the members of the Society, as a body. Our audit work has been undertaken so that we might state to members of the Society 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 responsibility to anyone other than the Society and the Society members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Society's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Standards in Ireland including accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1893 to 1978. We also report to you whether in our opinion: proper books of account have been kept by the Society and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Society's balance sheet and its profit and loss account are in agreement with the books of account.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED
(Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the Society's affairs as at 31 December 2012 and of its surplus for the year then ended and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1893 to 1978.

We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Society. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on page 3 is consistent with the financial statements.

Martin C. Nolan for and on behalf of,
Martin C. Nolan and Company AI 223387,
Chartered Accountants and
Registered Auditors,
50 Dargle Wood,
Knocklyon,
Dublin 16.

26th February 2013

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

Basis of Accounting

The financial statements were prepared under the historical cost convention.

Turnover

Turnover represents the value of goods and services to members.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life.

- Furniture and Equipment 12.5% per annum straight line
- Leasehold Improvements from commencement of trading in the new premises to the end of the primary lease period.

Value Added Tax (VAT)

The Society became registered for VAT in 2011 and accordingly the figures in the financial statements are stated exclusive of VAT for 2011 and 2012.

Subscriptions

The Society accounts for subscriptions in the period in which they are received.

Stocks

Stocks are valued at the lower of cost and net realisable value.

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	2011
	Notes	€	€
TURNOVER (schedule 1)		719,324	679,873
Cost of sales	1	<u>(462,743)</u>	<u>(436,171)</u>
Gross profit		256,581	243,702
Other income	2	<u>31,383</u>	<u>29,558</u>
		287,964	273,260
Overheads (schedule 2) – Operating costs		<u>(224,163)</u>	<u>(220,740)</u>
Operating profit before depreciation charge		63,801	52,520
Depreciation		<u>(1,196)</u>	<u>(42,339)</u>
Operating surplus for the year	3	62,605	10,181
Interest receivable and similar income		<u>440</u>	<u>502</u>
Surplus on ordinary activities before taxation		63,045	10,683
Taxation	4	<u>(132)</u>	<u>(136)</u>
Surplus on ordinary activities after taxation		62,913	10,547
Profit and loss account brought forward		<u>150,583</u>	<u>140,036</u>
Profit and loss account carried forward		213,496 =====	150,583 =====

All recognised gains and losses have been included in this profit and loss account. The operating surplus arises solely from continuing operations.

The financial statements were approved by the Board of Directors on 26th February 2013 and signed on its behalf by:

DIRECTOR: Pirooz Daneshmandi

DIRECTOR: Nick Shortt

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2012

		2012	2011
	Notes	€	€
FIXED ASSETS			
Tangible assets - furniture and equipment	5	4,747 <u>=====</u>	5,571 <u>=====</u>
CURRENT ASSETS			
Stocks		33,951	34,047
Debtors and prepayments	6	6,988	8,800
Cash at bank and in hand		<u>218,018</u>	<u>147,761</u>
		256,957	190,608
CURRENT LIABILITIES			
Creditors: (Amounts falling due within one year)	7	<u>(49,332)</u>	<u>(44,801)</u>
NET CURRENT ASSETS		<u>209,625</u>	<u>145,807</u>
NET ASSETS		<u>214,372</u> <u>=====</u>	<u>151,378</u> <u>=====</u>
REPRESENTED BY:			
Members shares	8	876	795
Profit and loss account		<u>213,496</u>	<u>150,583</u>
		214,372 <u>=====</u>	151,378 <u>=====</u>

The financial statements were approved by the Board of Directors on 26th February 2013 and signed on its behalf by:

DIRECTOR: Pirooz Daneshmandi

DIRECTOR: Nick Shortt

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED
NOTES ON AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2012

		2012	2011
		€	€
1	Cost of sales		
	Opening stock	34,047	30,679
	Purchases	<u>462,647</u>	<u>439,539</u>
		496,694	470,218
	Closing stock	<u>(33,951)</u>	<u>(34,047)</u>
		462,743	436,171
		=====	=====

Stocks comprise goods for resale.

2	Other income	€	€
	Subscriptions	15,947	15,830
	Events Income	<u>15,436</u>	<u>13,728</u>
		31,383	29,558
		=====	=====

3	Operating Surplus	€	€
	The operating surplus is stated after having charged the following:		
	Depreciation	1,196	42,339
	Directors' remuneration	-	-
	Auditors' remuneration	1,600	1,600
		=====	=====

4 Taxation
As the Society is a mutual Society it is exempt from corporation tax on its trading profits. The Society is however liable to corporation tax on its investment income.

5 Tangible Fixed Assets

Equipment

	Leasehold Improvements	Furniture & Equipment	2012	2011
	€	€	€	€
Cost:				
Opening balance	179,106	78,416	257,522	251,768
Additions	-	<u>372</u>	<u>372</u>	<u>5,754</u>
Closing balance	<u>179,106</u>	<u>78,788</u>	<u>257,894</u>	<u>257,522</u>
Depreciation:				
Opening balance	179,106	72,845	251,951	209,612
Charge for year	-	<u>1,196</u>	<u>1,196</u>	<u>42,339</u>
Closing balance	<u>179,106</u>	<u>74,041</u>	<u>253,147</u>	<u>251,951</u>
Net Book Amount	=	<u>4,747</u>	<u>4,747</u>	<u>5,571</u>

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED
NOTES ON AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2012

		2012	2011
		€	€
6 Debtors and prepayments			
Vat Refundable		1,888	432
Prepayments		<u>5,100</u>	<u>8,368</u>
		6,988	8,800
		=====	=====
		2012	2011
7 Creditors:		€	€
Amounts falling due within one year:			
Trade creditors		38,614	37,726
PAYE/PRSI		3,095	1,573
Accruals		<u>7,623</u>	<u>5,502</u>
		49,332	44,801
		=====	=====
8 Members Shares			
Applicants for membership are required to subscribe €1 on becoming a member of the Society.			
9 Lease Commitments			
The Society relocated to the premises at Newmarket in July 2007, and entered into a short term lease agreement for the period 22 March 2007 to 22 December 2011 (4 years nine months). The premises were rented during 2012 on a short term basis at €5,000 per month (€60,000 per annum). A new lease has been entered into for 4 years eight months from January 2013 at a rent of €30,000 per annum. There is provision for a break clause on 1 June 2014.			
10 Employees and Remuneration		2012	2011
		€	€
Salaries and wages		93,583	90,369
Employer PRSI		<u>6,221</u>	<u>6,764</u>
		99,804	97,133
		=====	=====

The average number of employees during the year was 4 (2011: 4). In addition a number of members of the Co-operative perform duties on a voluntary basis.

Dublin Food Co-operative Society Limited

Supplementary Information

**The Supplementary Information set out on Page 13
is not covered by the Independent Auditors' Report.**

DUBLIN FOOD CO-OPERATIVE SOCIETY LIMITED

**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	€	€
<u>SCHEDULE 1: Turnover</u>		
Sales	647,132	612,787
Producer members	<u>72,192</u>	<u>67,086</u>
	<u>719,324</u>	<u>679,873</u>
	=====	=====
	2012	2011
	€	€
<u>SCHEDULE 2: OVERHEAD EXPENSES</u>		
Salaries and wages including employer prsi	99,804	97,133
Rents and rates	80,042	88,835
Bookkeeping	5,790	4,759
Repairs, maintenance, cleaning and security	5,501	2,743
Insurance	4,781	4,378
Bank charges and credit card charges	4,718	4,468
Light and heat	3,938	7,007
Postage and stationery	2,640	2,965
Professional fees – re Investigation & Report	4,000	-
Professional fees – re VAT	3,453	2,573
Professional fees – Recruitment & Support	2,340	-
Professional fees –Fire Safety Certificate Application	1,400	-
Professional fees – New Premises Search & Inspection	1,275	-
Professional fees – Health & Safety Audit & Statement	1,100	-
Computer expenses and POS development	1,933	1,193
Professional fees - legal	750	-
Professional fees - other	550	-
Telephone and fax	1,628	1,613
Audit fees	1,600	1,600
AGM/EGM/SGM/OGM	883	1,010
Advertising	640	331
Sundry costs written off	(5,337)	-
Sundry other expenses	<u>734</u>	<u>132</u>
	<u>224,163</u>	<u>220,740</u>
	=====	=====