

FOODFORWARD SA
(Company incorporated under
Schedule 1 of the Companies Act)
(Registration number: 2000/014314/08)
(NPO number: 025-709)

AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

FOODFORWARD SA

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

**Directors who held office
during the accounting period**

C F Sonn (Chairman)
A I Du Plessis (Managing Director)
R H Singh
J V Lucas (appointed 31.10.2019)
C C Koffman (resigned 31.10.2019)
T Modise-Harvey
N Skweyiya

Nature of business Redistribution of edible surplus food to communities in need
Place of business Thor Gardens, Cnr Viking Way & Odin Drive, Thornton, 7460
Bankers Nedbank Limited
Auditors Sprigg Abbott Incorporated
**Annual financial statements
preparation** A Fisher

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the year ended 29 February 2020 set out on pages 7 to 21 were approved by the Board of Directors on 9 October 2020 and are signed on its behalf by:

Director



Director



SPRIGG ABBOTT INCORPORATED

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS

Independent Auditor's Report

To the members of FoodForward SA

Opinion

We have audited the Financial Statements of FoodForward SA set out on pages 8 to 21, which comprise the Statement of Financial Position as at 29 February 2020, and the statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of FoodForward SA as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or 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 appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Directors: DM Barnes CA(SA); M Mulder B Acc, B Compt(Hons), CA(SA)
Consultants: PJ Chong B Com(Hons), CA(SA); LE Norman B Com, CA(SA)
Assisted by: RE Norman B Com, CTA; JJ Smith B Econ Registration Number: 2003/023087/21



Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, 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 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 directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Spigg Abbott Incorporated

Spigg Abbott Incorporated
Director: Marike Mulder
Chartered Accountant (SA)
Registered Auditor

9 October 2020
Milnerton

**DIRECTORS' REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2020**

SUMMARY OF OPERATIONS

The 2019/2020 financial year has been a milestone year for all of us at FoodForward SA, for several reasons:

- a) we have seen an encouraging year-on-year improvement in tonnage (21%) - a direct result of positive engagement with suppliers;
- b) the cost per meal has decreased by 6,2% to R0,85 - making our foodbanking model even more cost-effective and a valuable food security solution;
- c) operating expenses increased by 14,24%, which is consistent with our growth, while revenue increased by 8,41%.
- d) our fundraising efforts, as well as our events and campaigns, continue to show steady growth and yield local and global awareness.
- e) we launched our inaugural SETA-accredited Supply Chain Youth Internship programme in the Western Cape and Gauteng;
- f) our board has approved our expansion into the Northern Cape, Limpopo and Mpumalanga provinces;
- g) we launched our Mobile Rural Depot (MRD) programme so that we shift the urban bias of our beneficiary organisation (BO) population towards vulnerable rural communities; and
- h) we are well on track to meet the goals of our five-year plan.

All the above strategic actions are very exciting and clear indications that we are steadily and purposefully scaling up to reach more vulnerable people across South Africa. Hunger and food insecurity are growing across our country, as more people find it difficult to access a sufficient amount of food to stave off hunger. A 2019 UNICEF report highlights the fact that too many children and young people are not getting the diet they need because healthy food is too expensive and this limits proper mental, physical, and intellectual development. Adults who are food insecure are more at risk of a variety of negative health outcomes. Of even greater concern is that South Africa has one of the highest rates of stunting (a malnutrition-related disease that prevents children from growing and developing properly), in the world.

Food insecurity is a grave threat to a country's growth and development. Investment into better access to sufficient healthy food for the most vulnerable people in our country must be our number one priority, if we are to advance as a nation. The World Bank's Human Capital Index (HCI) measures the productivity of a future worker and the current HCI for South Africa does not look good. According to the HCI, "a child born in South Africa today will only be 41% productive as an adult, significantly less than half as much as she would be if she completed her education and had full health. South Africa presents a paradox because it is classified by the World Bank as an upper-middle-income country — which means it is quite a wealthy country compared

to countries on the continent. But despite the status, the HCI is much lower compared to even poorer countries on the continent.” (World Bank: October 2019).

Because of gross poverty and inequality, the most disadvantaged people face the greatest risk. Given our current poor economic outlook and dire social context, we must ensure that we scale up to meet the increased demand for food. In this regard, I am pleased to report that we have increased our beneficiary organisation (BO) network by 27% to 673 vetted organisations. Our BOs play an integral role in under-served communities and they collectively reach 255,000 vulnerable people daily. The percentage of nutritious food distributed to our network decreased slightly by 2,3%.

The FoodForward SA Mandela Day Food Drive in partnership with Pick n Pay remains a very popular attraction for corporates who wish to volunteer 67 minutes to pack food parcels. This initiative is a vital source of quality non-perishable nutritious products. Thank you, PnP, for your generous long-term partnership, helping us to grow this event and also for the regular donations of quality surplus food.

We are also very grateful to Shoprite Checkers, RCL, Food Lover’s Market, Nestlé, Clover and Woolworths for the generous food donations, allowing FoodForward SA to reach more communities, especially our vulnerable rural communities.

Our Second Harvest programme is bearing much fruit and vegetables. Farmers are eager to donate their post-harvest surpluses, while seeing their hard-earned produce used to help feed people. They save significantly on dumping costs and receive tax benefits from FoodForward SA. It’s a win for all involved, including the environment.

For me, the greatest strategic (and most heart-warming) decision taken this financial year was the implementation of our Mobile Rural Depot (MRD) programme. Since our warehouses across the country are in urban centres, the costs for rural BOs to get to us are prohibitive. We launched our first MRD for BOs concentrated around the Breede Valley (Worcester, Ceres, Robertson, Ashton, Paarl, Wellington and environs) in June 2019. Since then, we have opened another five MRDs across the country, allowing for greater access to nutritious food to rural communities.

Martin Luther King Jr. said, “An individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity.” As we conclude the financial year, we witness the devastation caused by Covid-19 in countries around the world and we are deeply aware that the most vulnerable are always worst affected by a crisis. South Africa is already facing a food security crisis. This pandemic will have a devastating effect on our economy and jobs. Millions more people will experience protracted hardship. Now, more than ever, we need to rise up, dig deep into our humanity and work together.

As we expand our reach to more vulnerable communities across the country, we continue to rely on you - our food donors, financial donors, stakeholders, BOs, staff, and board members. Thank you for your partnership.

Since none of us is as strong and resourceful as all of us combined, the collective efforts of our partnerships have the ability to transform communities, end the hardship of others and ensure that our benevolence and humanity are displayed in our everyday actions.

FINANCIAL RESULTS

The financial statements for the year ended 29 FEBRUARY 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial position of the company at 29 FEBRUARY 2020 and the results of its operations for the year then ended may be found on pages 8 to 21 of these annual financial statements.

The Company made a surplus for the current year of R3 277 412 (2019: R3 714 803).

ACCOUNTING POLICIES

The Company's accounting policies may be found on pages 12 to 15 of these financial statements. The Directors have ensured that they are adequate for the reporting requirements of the Company, and have ensured that they have been consistently applied.

GOING CONCERN

The Company undertakes numerous initiatives to secure enough funding to sustain its operations. Despite these efforts, the Company has continued to operate with only a few months of funding in hand. Steps are being taken to realign the Company's financial obligations with its available funding. The Directors consider the use of the going concern assumption for the purpose of financial reporting to be appropriate.



Andy Du Plessis

Managing Director

FOODFORWARD SA

STATEMENT OF FINANCIAL POSITION
AT 29 FEBRUARY 2020

	<i>Note</i>	2020 R	2019 R
Assets			
Non-current assets			
Plant and equipment	4	3 744 485	2 811 379
Current assets			
		5 976 386	5 558 669
Inventory	5	-	-
Receivables	6	672 605	539 152
Cash and cash equivalents	7	5 303 781	5 019 517
Total assets		9 720 871	8 370 048
Equity and liabilities			
Equity			
Accumulated surplus		8 061 396	4 783 984
Non-current liabilities			
Loan from related party	8	-	1 889 234
Current liabilities			
		1 659 475	1 696 830
Payables	9	1 235 875	1 273 230
Deferred revenue	10	423 600	423 600
Total reserves and liabilities		9 720 871	8 370 048

FOODFORWARD SA

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	<i>Note</i>	2020 R	2019 R
Revenue	<i>11</i>	20 605 966	18 978 543
Profit on sale of assets		-	167 812
Operating expenses		(17 077 526)	(15 332 316)
Procured inventory donated by FoodForward SA	<i>5</i>	(576 882)	(205 177)
Surplus/(Deficit) from operations	<i>12</i>	2 951 558	3 608 862
Finance income		414 571	275 987
Finance expense		(88 717)	(170 046)
Total comprehensive income/(loss)		3 277 412	3 714 803

FOODFORWARD SA

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	Accumulated surplus R
Balance at 1 March 2018	1 069 181
Total comprehensive income for the year	3 714 803
Balance at 28 FEBRUARY 2019	<u>4 783 984</u>
Balance at 1 March 2019	4 783 984
Total comprehensive income for the year	3 277 412
Balance at 29 FEBRUARY 2020	<u>8 061 396</u>

FOODFORWARD SA

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	<i>Note</i>	2019 R	2019 R
Cash flows from operating activities			
Cash generated by/(utilised in) operations	<i>13</i>	3 658 743	3 161 541
Finance income		414 571	275 987
Finance expenses		(88 717)	(170 046)
Net cash inflow/(outflow) from operating activities		3 984 597	3 267 482
Cash flows from investing activities			
Proceeds on disposal of plant and equipment		-	167 812
Acquisition of plant and equipment	<i>4</i>	(1 811 099)	(1 198 037)
Net cash outflow from investing activities		(1 811 099)	(1 030 225)
Cash flows from financing activities			
Repayment of loans from related parties	<i>8</i>	(1 889 234)	(729 953)
Net cash outflow from financing activities		(1 889 234)	(729 953)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year		5 019 517	3 512 213
Cash and cash equivalents at end of year	<i>7</i>	5 303 781	5 019 517

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

1. CORPORATE INFORMATION

FoodForward SA (the Company) is primarily involved in the business of redistributing edible surplus food to communities in need. Details of the Company's registered office and Directors are disclosed on page 2.

2. BASIS OF PREPARATION

The financial statements for the year ended 29 FEBRUARY 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The annual financial statements are prepared with the going concern principle on the historical cost basis, unless otherwise stated.

The Company's functional and presentation currency is South African Rands and all values are rounded to the nearest Rand, except when otherwise indicated.

The preparation of financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the principal accounting policies used by the Company which have been applied consistently throughout the year and in prior years, except as otherwise indicated. Where necessary, adjustments to comparative figures have been made in order to correctly disclose the effect of the application of these policies.

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for purposes of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

3.1 Current versus non-current classification – continued

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for purposes of trading
- Due to be realised within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

3.2 Plant and equipment

Plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment. Depreciation is calculated on a straight-line basis over the useful life of the assets, with motor vehicles carrying a 30% residual value. The annual rates for this purpose are:

Motor Vehicles	16,67%
Office Equipment	20%
Computer Equipment	20%
Computer Software	33,33%
Furniture and fittings	16,67%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstance indicate that the carrying value may not be recoverable.

The carrying value of an item of plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of plant and equipment is included in profit and loss when the item is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate.

3.3 Financial Instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when it becomes party to the contractual provisions of the instrument.

Financial assets are classified as either fair value investments or loans and receivables. Such classification is determined on initial recognition when the Company becomes a party to the contract of the instrument.

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

3.3 Financial Instruments - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held on call with banks. Subsequent to initial recognition, they are carried at amortised cost.

Loan from related party

Loans are initially recognised at fair value plus direct transaction costs. Loans payable that bear no interest and where there are no determinable terms of repayment are included in current liabilities. If the liability is included in non-current liabilities, it is assumed that repayment will only occur after 12 months from the reporting date.

Trade and other payables

Trade and other payables are initially measured at fair value less any directly attributable transaction costs. They are subsequently measured at amortised cost.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and that the amount can be reliably measured.

Donations, fundraising and service agreement revenue

Revenue comprises donations received, income from fundraising and service agreement revenue which is recognised upon receipt, unless there is a specific funding agreement, in which case the revenue is recognised in accordance with the terms of the agreement.

Deferred income

Grant and subsidy income is deferred to the extent that the period to which the funding agreement relates is longer than the financial period in which it is received. Income is also deferred if the funding is provided for specific purposes and such expenditure has not been incurred at year-end.

Government grants

Government grants are assistance from government in the form of transfers or resources in return for compliance with conditions associated with the grants.

Government grants are initially recognised as deferred revenue when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grants. Grants are recognised in the statement of comprehensive income on a systematic basis as the related expenses are incurred.

3.5 Finance income and costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

Operating lease payments (rental and related costs) are recognised as an expense in profit and loss on a straight line basis over the lease term, with the equalising amount carried as a liability until amortised. There was no effect on current year profit (2019 – increased by R9 934).

3.7 Donated assets

Non-reciprocal, non-monetary contributions in the form of donated assets from third parties other than governments are measured at the nominal amount paid.

3.8 New and revised standards

New or revised IFRS statements, interpretations and/or amendments applicable to the Company, issued but not yet effective up to the date of issuance of financial statements are listed below. The Company intends to adopt applicable standards when they become effective.

Standards, interpretation or amendment		Effective date
IFRS 16	Leases	1 January 2019

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

4. PLANT AND EQUIPMENT

	Cost R	Accumulated depreciation R	Net book value R
2020			
Motor vehicles	3 599 585	(1 048 867)	2 550 718
Computer equipment	617 653	(328 897)	288 756
Furniture and fittings	300 613	(235 630)	64 983
Office equipment	1 149 044	(653 521)	495 523
Computer software	1 123 591	(779 086)	344 505
	<u>6 790 486</u>	<u>(3 046 001)</u>	<u>3 744 485</u>
2019			
Motor vehicles	2 356 083	(716 797)	1 639 286
Computer equipment	396 244	(273 306)	122 938
Furniture and fittings	297 305	(196 324)	100 981
Office equipment	1 028 477	(477 342)	551 135
Computer software	901 277	(504 238)	397 039
	<u>4 979 386</u>	<u>(2 168 007)</u>	<u>2 811 379</u>

	Carrying amount at beginning of year R	Additions R	Disposals R	Depreciation R	Carrying amount at end of year R
2020					
Motor vehicles	1 639 285	1 243 501	-	(332 069)	2 550 718
Computer equipment	122 938	221 408	-	(55 590)	288 756
Furniture and fittings	100 981	3 309	-	(39 306)	64 983
Office equipment	551 135	120 567	-	(176 179)	495 523
Computer software	397 039	222 314	-	(274 849)	344 505
	<u>2 811 379</u>	<u>1 811 099</u>	<u>-</u>	<u>(877 993)</u>	<u>3 744 485</u>
2019					
Motor vehicles	1 123 090	959 000	(240 873)	(201 932)	1 639 285
Computer equipment	106 959	63 384	(5 355)	(42 049)	122 938
Furniture and fittings	88 640	46 869	-	(34 528)	100 981
Office equipment	539 599	151 790	-	(140 254)	551 135
Computer software	402 027	223 222	-	(228 210)	397 039
	<u>2 260 315</u>	<u>1 444 265</u>	<u>(246 228)</u>	<u>(646 973)</u>	<u>2 811 379</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	2020 R	2019 R
5. INVENTORY		
Opening stock	-	-
Purchases	576 882	205 177
Donated to beneficiaries	(576 882)	(205 177)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
6. RECEIVABLES		
Trade Debtors	230 656	164 975
Deposits	266 753	253 753
Prepayments	-	3 955
Sundry Debtors	39 883	23 531
Value Added Tax Receivable	135 313	92 938
	<u>672 605</u>	<u>539 152</u>
	<u>672 605</u>	<u>539 152</u>
7. CASH AND CASH EQUIVALENTS		
Petty cash	1 450	2 617
Current account	247 204	701 331
Call account	2 526 742	4 320 295
Fixed Deposit	2 559 920	-
Credit card	(31 534)	(4 726)
	<u>5 303 781</u>	<u>5 019 517</u>
	<u>5 303 781</u>	<u>5 019 517</u>
8. LOAN FROM RELATED PARTY		
FoodBank Foundation	-	1 889 234
	<u>-</u>	<u>1 889 234</u>
	<u>-</u>	<u>1 889 234</u>

This loan was repaid in full as at 29 February 2020

A key member of the Board is a Trustee of the FoodBank Foundation, and another director, who resigned during the year, is the Protector of the Trust. Neither of the parties hold ownership in these entities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	2020 R	2019 R
9. PAYABLES		
Accruals	346 371	338 335
Provision for leave pay	179 674	167 359
Other Payables	709 830	767 535
Value Added Tax payable	-	-
	<u>1 235 875</u>	<u>1 273 230</u>
10. DEFERRED REVENUE		
Glencore Alloys	<u>423 600</u>	423 600
	<u>423 600</u>	<u>423 600</u>

Glencore Alloys

The funding received from Glencore Alloys by FoodForward SA is being utilised to operate a branch of FoodForward SA in the Rustenburg region. The grant is recognised in income in accordance with accounting policy 3.4.

11. REVENUE

Donations	11 529 740	11 452 234
Grants	2 267 680	2 000 000
Service agreement revenue	3 438 510	2 499 384
Membership fees	3 370 644	3 026 925
Sundry revenue	-	-
	<u>20 605 966</u>	<u>18 978 543</u>

12. SURPLUS/(LOSS) FROM OPERATIONS

The surplus/(loss) is arrived at after taking into account:

Auditor's remuneration		
- audit fees : current year	90 000	103 642
- audit fees : prior year adjustment	(7 642)	-
- annual duty	3 250	3 250
- company secretarial fees	2 100	3 400
Director's emoluments (executive director only)	1 284 358	1 187 043
Operating lease cost (property rentals)	1 309 527	1 230 606
Depreciation	877 993	646 973

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	2020 R	2019 R
13. CASH UTILISED IN OPERATIONS		
Net profit/(loss) before interest	2 951 558	3 608 862
Adjusted for:		
Profit on sale of assets	-	(167 812)
Depreciation	877 993	646 973
Operating surplus before working capital changes	<u>3 829 551</u>	<u>4 193 964</u>
Increase in receivables	(133 453)	(31 961)
Decrease in inventory	-	-
(Decrease) / Increase in trade and other payables	(37 355)	61 715
Decrease in deferred revenue	-	(956 236)
	<u><u>3 658 743</u></u>	<u><u>3 161 541</u></u>
14. OPERATING LEASE		
The Company has lease obligations on a cash flow basis as follows:		
Payable within one year	1 234 020	1 300 079
Payable between 1 and 5 years	774 576	952 620
	<u><u>2 008 596</u></u>	<u><u>2 252 699</u></u>

15. TAXATION

The Company has been granted exemption in terms of section 10(1)(cN) of the income Tax Act. Accordingly no provision has been made for SA normal or deferred taxation.

16. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to market risk, credit risk and liquidity risk. Due to the nature of operations of the Company, these risks are limited.

Interest rate risk

Interest rate risk is the extent to which the Company is exposed to a change in the prevailing rate of interest. The interest rate risk arises from the loan from a related party.

The Company's trade and other receivables and payables are not exposed to interest rate risk as they are interest free and are usually settled within 30 days of their being raised.

Cash and cash equivalents have varying interest rates related to prime. These assets are held at a highly rated financial institution, and can be moved at short notice.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Potential credit risk consists principally of trade and other receivables, and cash and cash equivalents.

The Company deposits short term cash surpluses with a major bank of high quality standing.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**
16. FINANCIAL RISK MANAGEMENT - continued

Sundry debtors consist of suppliers with debit balances. Management does not expect any losses from non-performance by these counterparties.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

	Due on demand R	Within 3 months R	3-12 months R	1 – 5 years R	Total R
2020					
FoodBank Foundation loan	-	-	-	-	-
Payables	179 674	952 701	103 500	-	1 235 875
	<u>179 674</u>	<u>952 701</u>	<u>103 500</u>	<u>-</u>	<u>1 235 875</u>
2019					
FoodBank Foundation loan	-	-	-	1 889 234	1 889 234
Payables	167 359	1 002 228	103 642	-	1 273 229
	<u>167 359</u>	<u>1 002 228</u>	<u>103 642</u>	<u>1 889 234</u>	<u>3 162 463</u>

17. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE

	Loans and receivables R	Financial liabilities at amortised cost R	Total R
2020			
Trade and other receivables	672 605	-	672 605
Cash and cash equivalents	5 335 315	(31 534)	5 303 781
FoodBank Foundation loan	-	-	-
Deferred revenue	-	(423 600)	(423 600)
Payables	-	(1 235 875)	(1 235 875)
	<u>6 007 920</u>	<u>(1 691 009)</u>	<u>4 316 911</u>
2019			
Trade and other receivables	539 152	-	539 152
Cash and cash equivalents	5 024 243	(4 726)	5 019 517
FoodBank Foundation loan	-	(1 889 234)	(1 889 234)
Deferred revenue	-	(423 600)	(423 600)
Payables	-	(1 273 230)	(1 273 230)
	<u>5 563 395</u>	<u>(3 590 789)</u>	<u>1 972 606</u>

FOODFORWARD SA
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

18. DIRECTORS' REMUNERATION

Executive director only

For services as director

1 284 358

1 187 043

The rest of the Board are volunteers and are not remunerated.

19. EVENTS POST REPORTING DATE

There are no material events occurring subsequent to the reporting date and prior to the signature hereof, that the Directors feel could materially affect the financial information as presented, nor have the potential to influence the appreciation of the financial statements as presented.

FOODFORWARD SA

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	2020	2019
	R	R
Revenue	20 605 966	18 978 543
Profit on sale of assets	-	167 812
Net finance income	325 854	105 941
	<hr/>	<hr/>
	20 931 820	19 252 296
 Procured inventory donated by FoodForward SA	 (576 882)	 (205 177)
 Expenditure	 (17 077 526)	 (15 332 316)
Accommodation and allowances	233 795	238 917
Auditor's remuneration	87 708	110 292
Bank charges	73 007	59 824
Computer expenses	311 855	330 432
Depreciation	877 993	646 973
Directors' emoluments	1 284 358	1 187 043
Distribution costs	300 893	245 147
Entertainment	46 245	32 272
Fundraising and other consulting	35 540	54 662
Fundraising costs and promotions	542 941	649 238
Insurance	171 605	166 198
Legal expenses	19 994	4 859
Motor vehicle licensing and registration	58 664	55 320
Other expenses	152 551	129 639
Petrol and oil	495 624	381 508
Postage and Courier	15 800	21 549
Printing and stationery	74 240	69 315
Rent paid	1 309 527	1 299 593
Repairs and maintenance – office and warehouse	64 294	216 115
Repairs and maintenance – vehicles	77 199	75 365
Salaries and wages	9 393 090	8 112 116
Security	85 778	32 147
Staff recruitment	108 352	254 467
Staff uniforms	29 194	17 637
Staff welfare	13 749	33 148
Telephone	153 019	146 160
Training	224 043	51 562
Travel	413 154	301 586
Utilities	423 314	409 228
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Net surplus for the year	3 277 412	3 714 803
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