

Financial Statements of

**FEED OUR FUTURE**

June 30, 2014



## **FEED OUR FUTURE**

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**KPMG**

PO Box 493  
Century Yard  
Grand Cayman KY1-1106  
CAYMAN ISLANDS

Telephone: +1 345 949-4800  
Fax: +1 345 949-7164  
Internet: [www.kpmg.ky](http://www.kpmg.ky)

## **Independent Auditors' Report to the Directors**

We have audited the accompanying financial statements of the Feed Our Future (the "Company"), which comprise the statement of financial position as at June 30, 2014, and the statements of comprehensive income, changes in fund balance and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Independent Auditors' Report to the Directors (continued)**

### ***Basis for Qualified Opinion***

The system of internal controls of the Company, in common with many other organisations of similar size and purpose, is dependent upon the close involvement of the Company's management. The Company derives a portion of its income from sources which cannot be fully controlled until they are entered into the accounting records and are therefore not susceptible to independent audit verification. Accordingly, it was not practicable to extend our auditing procedures of such income beyond the amounts recorded.

### ***Qualified Opinion***

In our opinion, except for the effects of such adjustments, if any, as we might have determined to be necessary had we been able to verify the completeness of income referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

**KPMG**

July 24, 2015

## FEED OUR FUTURE

### Statement of Financial Position

June 30, 2014

*(stated in Cayman Islands dollars)*

	Note	2014	2013
<b>Assets</b>			
<b>Current</b>			
Cash		293,554	172,643
Accounts receivable		47,607	49,332
Prepaid Expenses		2,860	0
<b>Total assets</b>		<b>CI\$ 344,021</b>	<b>221,975</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable		35,426	23,263
Accrued expenses		325	0
<b>Total Liabilities</b>		<b>35,751</b>	<b>23,263</b>
<b>Funds</b>			
Unrestricted funds		270,138	195,702
Restricted funds	4	38,132	3,010
		<b>308,270</b>	<b>198,712</b>
<b>Total Liabilities and Fund balance</b>		<b>CI\$344,021</b>	<b>221,975</b>

*See accompanying notes to financial statements.*

Approved on behalf of the Board on July 24, 2015

STACEY VANDEVELDE

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Director

## FEED OUR FUTURE

### Statement of Comprehensive Income

Year ended June 30, 2014

*(stated in Cayman Islands dollars)*

	Note	2014	2013*
<b>Income</b>			
Donation from Feed our Future Ltd.		0	135,262
Event income	3	130,560	123,627
Donations		172,556	113,218
Donations to cover operating expenses		1,529	727
		<u>304,645</u>	<u>372,834</u>
<b>Expenditure</b>			
Awards – school lunches		(171,317)	(137,315)
Event expenses	3	(19,154)	(32,136)
Awards – community after school program		(3,600)	(3,600)
Operating expenses		(1,016)	(1,071)
		<u>(195,087)</u>	<u>(174,122)</u>
<b>Increase in fund balance during the year</b>	<b>CI\$</b>	<b>109,558</b>	<b>198,712</b>

\* Comparitives are shown for the period May 7, 2012 (date of incorporation) to June 30, 2013

*See accompanying notes to financial statements.*

## FEED OUR FUTURE

### Statement of Changes in Fund Balance

Year ended June 30, 2014

*(stated in Cayman Islands dollars)*

	Unrestricted funds	Restricted funds (Note 4)	Total
Balance at May 7, 2012 (date of incorporation)	0	0	0
Increase in fund balance during the period	198,712	0	198,712
Net transfer to restricted funds	(3,010)	3,010	0
<b>Balance at June 30, 2013</b>	CI\$ 195,702	3,010	198,712
Increase in fund balance during the year	109,558	0	109,558
Net Transfer to Restricted Funds	(35,122)	35,122	0
<b>Balance at June 30, 2014</b>	CI\$ 270,138	38,132	308,270

*See accompanying notes to financial statements.*

## FEED OUR FUTURE

### Statement of Cash Flows

Year ended June 30, 2014

*(stated in Cayman Islands dollars)*

	Note	2014	2013*
<b>Cash provided by/(applied in):</b>			
<b>Operating activities</b>			
Increase in fund balance during the year		109,558	198,712
Add/(Deduct) net changes in non-cash operating balances:			
Increase in accounts payable		12,163	23,263
Increase in accrued expenses		325	
Decrease (Increase) in accounts receivable		1,725	(49,332)
Decrease (Increase) in prepaid expenses		(2,860)	
		<u>120,911</u>	<u>172,643</u>
<b>Increase in cash and cash equivalents during year</b>		120,911	172,643
Cash and cash equivalents at beginning of year		172,643	0
<b>Cash and cash equivalents at end of year</b>		<u>CI\$293,554</u>	<u>172,643</u>

\*Comparatives shown for the period May 7, 2012 (date of incorporation) to June 30, 2013

*See accompanying notes to financial statements.*



## **FEED OUR FUTURE**

Notes to Financial Statements

June 30, 2014

*(stated in Cayman Islands dollars)*

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### **1. Background information**

Feed Our Future (the “Company”) was incorporated under the Companies Law of the Cayman Islands on May 7, 2012 as a Section 80 not for profit entity. The Company is a non-profit organisation whose primary mission is to solve childhood hunger and to support intellectual nourishment in the Cayman Islands through the funding of nutritionally balanced low cost or free school meals to children in need within public and private schools thereby serving a dual purpose of enriching the learning potential and health of the child and reducing the burden on the community that supports them.

The Company has no share capital and is limited by the guarantee of its members, who undertake to contribute such amount as may be required, not exceeding CI\$1, to the assets of the Company in the event of it being wound up during the time of membership, or within one year after ceasing to be a member, for payment of the debts and liabilities of the Company.

At June 30, 2014, the Company had no employees. The registered office of the Company is located at PO Box 1131, 133x Salt Creek, West Bay, Grand Cayman KY1-1108, Cayman Islands.

On September 12, 2012, the Company received all of the net assets of Feed Our Future Ltd., a company which had been formed for the same purpose. Feed Our Future Ltd. was subsequently dissolved.

### **2. Significant accounting policies**

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). The significant accounting policies and their effect on the financial statements are as follows:

#### *(a) Reporting periods*

The financial statements are prepared for the year ended June 30, 2014. Comparatives are presented for the period from May 7, 2012 (date of incorporation) to June 30, 2013.

#### *(b) Basis of measurement*

The measurement and presentation currency of the financial statements is the Cayman Islands dollar.

#### *(c) Management estimates and assumptions*

The preparation of the financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of income and expenses during the period. Actual results could differ from these estimates.

## **FEED OUR FUTURE**

Notes to Financial Statements (continued)

June 30, 2014

*(stated in Cayman Islands dollars)*

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### **2. Significant accounting policies (continued)**

#### *(d) Foreign exchange*

Transactions involving currencies other than Cayman Islands dollars are translated at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated at the rates of exchange prevailing on the statement of financial position date. Gains and losses on exchange are taken to the statement of comprehensive income.

The United States dollar is fixed relative to the Cayman Islands dollar at an exchange rate of US\$1.00 = CI\$0.82.

#### *(e) Interest income*

Interest income and expense is recognised in the statement of comprehensive income as it accrues. Interest income comprises the interest earned on the cash and cash equivalents.

#### *(f) Donated services*

A number of unpaid volunteers make significant contributions of their time and resources to manage the Company's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

#### *(g) Fees and donations*

General income and donations are recorded in the period in which they are received. Income and donations related to specific events are recorded in the period in which the event was held.

#### *(h) Expenditure*

Expenses are recognised in profit or loss upon utilisation of the service or at the date that such expense originates.

#### *(i) Taxation*

There are currently no taxes on income in the Cayman Islands and as such, no provision for income taxes has been raised.

## FEED OUR FUTURE

Notes to Financial Statements (continued)

June 30, 2014

*(stated in Cayman Islands dollars)*

### 3. Event income and expenses

#### Event income

	2014	2013
Child month donations	49,125	42,196
Flowers sea swim donations	46,047	40,195
Ticket sales – Island roast	35,388	21,917
Gala ticket sales – Flowers sea swim	0	19,094
Other	0	225
	CI\$ 130,560	123,627

#### Event expenses

	2014	2013
Gala expenses – Flowers sea swim	0	(15,897)
Island roast expenses	(6,136)	(7,868)
Child month expenses	(12,344)	(8,371)
Other event expenses	(674)	0
	CI\$ (19,154)	(32,136)

### 4. Restricted funds

On October 17, 2012, the foundation deposited a donation of CI\$2,600 with the restriction that it is to be used to fund school meals for 2 additional students at a specified school. CI\$1,652 was distributed to the school during the period ended June 30, 2013 leaving a residual balance of CI\$948 remaining at June 30, 2013. CI\$948 was distributed to the school during the year ended June 30, 2014.

On November 1, 2012, an amount of CI\$9,000 was deposited with restrictions that it be used to provide meals at specific schools. CI\$6,938 was utilised during the period ended June 30, 2013 leaving a residual balance of CI\$2,062 remaining at June 30, 2013. CI\$2,062 was distributed during the year ended June 30, 2014.

On April 18, 2013 an amount of CI\$12,300 was deposited with the restriction that it may not be used in the payment of administration expenses. In management's view this condition has been met and all amounts were distributed to schools during the period ended June 30, 2013. There is no outstanding balance at June 30, 2014.

## **FEED OUR FUTURE**

Notes to Financial Statements (continued)

June 30, 2014

*(stated in Cayman Islands dollars)*

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### **4. Restricted funds (continued)**

On September 17, 2013 an amount of CI\$150 was deposited to provide meals at a specific school. In management's view, this condition has been met and all amounts were distributed to the school during the period ended June 30, 2013. There is no outstanding balance at June 30, 2014.

On December 2, 2013 an amount of CI\$1,000 was deposited and on January 15, 2014 \$37,132 was deposited to provide meals during the summer, leaving a balance of \$38,132 available for distribution at June 30, 2014.

On January 15, 2014 an amount of CI\$500 was deposited and on June 19, 2014 an additional CI\$500 was deposited to provide meals at a specific school. In management's view, this condition has been met and all amounts have been distributed to the school during the year. There is no outstanding balance at June 30, 2014.

### **5. Financial instrument risk**

The Company is exposed to various risks in relation to financial instruments. The main types of risk are market risk, credit risk and liquidity risk.

#### *Market Risk*

The Company is exposed to market risk through its use of financial instruments specifically to interest rate risk on cash balances.

#### *Credit Risk*

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is the carrying amount of cash and accounts receivable. Cash is held with a reputable commercial bank in the Cayman Islands. Accounts receivables are short-term in nature and from parties known to the Directors. The Directors do not consider the accounts receivable to be impaired or past due at the reporting date.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company might be unable to meet its obligations as they fall due. The Company considers available cash reserves prior to making commitments for expenditure. The Company's existing cash resources significantly exceed the current cash outflow requirements. Accounts receivable and accounts payable are expected to be settled within 6 months of the reporting date.

### **6. Related party transactions**

Related parties consist of Board members who contribute to the Company through the direct payment of expenses that would otherwise be incurred by the Company. Where a Board member makes such a contribution, both the donation income and offsetting expense are recorded in the financial statements.

## **FEED OUR FUTURE**

Notes to Financial Statements (continued)

June 30, 2014

*(stated in Cayman Islands dollars)*

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### **7. Subsequent events**

In preparing these consolidated financial statements, management has evaluated and disclosed all material subsequent events up to July 24, 2015, being the date that the financial statements were available to be issued.