

Financial Statements of

FEED OUR FUTURE

June 30, 2021



FEED OUR FUTURE

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Independent auditor's report

To the Board of Directors of Feed Our Future

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of Feed Our Future (the Company) as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at June 30, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in fund balance for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for qualified opinion

In common with many non-profit oriented organisations, the Company derives a significant portion of its income from various sources, the completeness of which is not susceptible to independent audit verification. Accordingly, our verification of such income was limited to the amounts recorded in the records of the Company and we are not able to determine whether any adjustments might be necessary to income or increase in fund balance during the year as presented in the statement of comprehensive income for the years ended June 30, 2021 and 2020, the fund balance at June 30, 2021 and 2020 as presented in the statement of changes in fund balance for the year ended June 30, 2021 or total assets as presented in the statement of financial position as of June 30, 2021 and 2020.

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 financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter - predecessor auditor

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of auditors whose report, dated July 19, 2021, expressed a qualified opinion on those statements, due to the predecessor auditor being unable to obtain sufficient appropriate audit evidence over the completeness of donations and event income from various sources, as outlined in the *Basis for qualified opinion* section.

Other matter - use of this report

This report, including the opinion, has been prepared for and only for the Company in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A stylized, handwritten signature of "PricewaterhouseCoopers" in black ink, featuring a large, prominent initial "P".

May 2, 2022

FEED OUR FUTURE

Statement of Financial Position

June 30, 2021

(stated in Cayman Islands dollars)

	Note	2021	2020
Assets			
Current			
Cash and cash equivalents		438,507	336,564
Due from broker		43,223	41,200
Financial assets at fair value through profit or loss		86,456	59,825
Total assets	CIS	568,186	437,589
Liabilities			
Accounts payable and accrued expenses		95,078	2,288
Total Liabilities		95,078	2,288
Funds			
Unrestricted funds		473,108	432,541
Restricted funds	4	-	2,760
		473,108	435,301
Total liabilities and fund balance	CIS	568,186	437,589

See accompanying notes to financial statements.

Approved on behalf of the Board on: May 2, 2022

STACEY VANDEVELDE Director

FEED OUR FUTURE

Statement of Comprehensive Income

Year ended June 30, 2021

(stated in Cayman Islands dollars)

	Note	2021	2020
Income			
Donations, including COVID-19		359,353	312,462
Event income	4	63,310	91,563
Interest income		701	1,921
Net realized and change in unrealized gain on financial assets at fair value through profit or loss		-	1,403
		423,364	407,349
Expenditure			
Awards – school lunches, including COVID-19		(337,223)	(305,817)
Awards – summer program, Education Extra		(18,431)	(1,250)
Event expenses	4	(21,714)	(18,393)
Supplemental food support		(3,850)	-
Operating expenses		(3,619)	(7,609)
Net realized and change in unrealized loss on financial assets at fair value through profit or loss		(720)	-
		(385,557)	(333,069)
Increase in fund balance during the year	CIS	37,807	74,280

See accompanying notes to financial statements.

FEED OUR FUTURE

Statement of Changes in Fund Balance

Year ended June 30, 2021

(stated in Cayman Islands dollars)

		Unrestricted Funds	Restricted Funds	Total (Note 5)
Balance at June 30, 2019	CI\$	329,719	31,302	361,021
Increase in fund balance during the year		74,280	-	74,280
Net Transfer from Restricted Fund		28,542	(28,542)	-
Balance at June 30, 2020	CI\$	432,541	2,760	435,301
Increase/(Decrease) in fund balance during the year		37,807	-	37,807
Net Transfer from Restricted Fund		2,760	(2,760)	-
Balance at June 30, 2021	CI\$	473,108	-	473,108

See accompanying notes to financial statements

FEED OUR FUTURE

Statement of Cash Flows

Year ended June 30, 2021

(stated in Cayman Islands dollars)

	Note	2021	2020
Cash provided by/(applied in):			
Operating activities			
Increase in fund balance during the year		37,807	74,280
Adjustments for:			
Interest income		(701)	(1,921)
Net realized and change in unrealized gain on financial assets at fair value through profit or loss		720	(1,231)
Add/(Deduct) net changes in non-cash operating balances:			
(Increase)/Decrease in due from broker		(2,023)	2,028
Increase /(Decrease) in accounts payable		92,790	(22,390)
Cash from operating activities		128,593	50,766
Investing activities			
Purchases of investments		(85,582)	-
Sale of investments		57,400	24,600
Interest received		1,532	1,921
Cash from investing activities		(26,650)	26,521
Net change in cash and cash equivalents		101,943	77,287
Cash and cash equivalents at beginning of year		336,564	259,277
Cash and cash equivalents at end of year	CIS	438,507	336,564

See accompanying notes to financial statements.

FEED OUR FUTURE

Notes to Financial Statements

June 30, 2021

(stated in Cayman Islands dollars)

1. Background information

Feed Our Future (the “Company”) was incorporated under the Companies Act of the Cayman Islands on May 7, 2012 as a Section 80 not for profit entity. The Company is a not for 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, 2021, the Company had no employees. The registered office of the Company is located at PO Box 11311, 133 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 operations in the year

On September 25, 2018, the Company opened an endowment account in a prudent effort to maximize revenue. RBC Wealth Management serves on a pro bono basis as the investment manager of the separately managed account which invests in highly liquid Level 1 securities and cash. The attached investment disclosures relate to their required industry best practices in line with the Company’s stated investment objectives.

3. 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, 2021.

(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 IFRS 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, 2021

(stated in Cayman Islands dollars)

3. 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) Cash and cash equivalents

Cash comprises cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Due from broker

Amounts due from broker may represent margin accounts, cash collateral for borrowed securities and uninvested cash.

(g) Financial assets and financial liabilities

(i) Classification

The Company's investments are measured at fair value through profit or loss.

Financial assets at amortised cost held by the Company include cash and cash equivalents, balances due from brokers, other receivables and prepaid expenses.

Financial liabilities at amortized cost include other payables and accrued expenses.

(ii) Recognition and measurement

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its obligation.

Subsequent to initial recognition, investments are re-measured at fair value based on their quoted market prices at the reporting date without any deduction for estimated future selling costs.

Financial assets at amortised cost are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities that are not at fair value through profit or loss are measured at amortised cost using the effective interest rate method.

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Notes to Financial Statements (continued)

June 30, 2021

(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(g) Financial instruments (continued)

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amounts reported in the statement of financial position, when a current legal enforceable right to offset exists and there is intent to realise the asset and settle the liability simultaneously or to settle on a net basis. No financial assets or liabilities were offset as at June 30, 2021 and June 30, 2020.

(v) Impairment

The Company measures credit risk and expected credit losses (ECL) using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At June 30, 2021 and June 30, 2020, all amounts due from brokers and cash and cash equivalents are held with reputable counterparties with maturities of less than 12 months. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Company and, as such, no ECL has been recognised within the financial statements

(h) 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.

(i) 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.

A best estimate of the professional services donated to the Company amounts to CI\$26,000 for the year ended June 30, 2021.

(j) Event income and donations

General income and donations are recorded in the period in which they are received. Income and donations related to specific events or programs are recorded in the period in which the event or program occurred.

(k) Expenditure

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

FEED OUR FUTURE

Notes to Financial Statements (continued)

June 30, 2021

(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(l) Taxation

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

(m) Inventory

The Company does not carry inventory as a general practice.

4. Event income and expenses

Event income

	2021	2020
Island Roast	63,310	91,963
	CIS	91,963

Event expenses

	2021	2020
Island Roast expenses	(20,629)	(18,393)
Child Month expenses	(1,085)	-
	CIS	(18,393)

5. Restricted funds

As of June 30, 2021 restricted funds comprise:

	2021	2020
Summer Food Program	-	2,760
Educational Programs	-	2,760
	CIS	2,760

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Notes to Financial Statements (continued)

June 30, 2021

(stated in Cayman Islands dollars)

6. 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

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. Market risk is the risk that changes in interest rates, foreign exchange rates or market prices will affect the positions held by the Company. The Company is exposed to market risk on financial instruments that are valued at market prices. All financial assets held for trading are recognised at fair value and all changes in market conditions directly affect net income. The Company is susceptible to market price risk arising from uncertainties about future prices.

Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds fixed interest securities that expose the Company to fair value interest rate risk. The Company also holds cash and cash equivalents that expose the Company to cash flow interest rate risk.

The following table shows financial assets and financial liabilities classified by the period to maturity and re-pricing of interest rates:

June 30, 2021	Up to 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total
Assets					
Cash and cash equivalents	438,507	-	-	-	438,507
Due from broker	43,223	-	-	-	43,223
Financial assets at fair value through profit and loss	16,670	43,442	26,345	-	86,456
Total Assets	498,400	43,442	26,345	-	568,186
Liabilities					
Accounts Payable and Accrued Expense	-	-	-	(95,078)	(95,078)
Total Liabilities	-	-	-	(95,078)	(95,078)
Interest sensitivity gap	498,400	43,442	26,345		

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Notes to Financial Statements (continued)

June 30, 2021

(stated in Cayman Islands dollars)

6. Financial instrument risk (continued)

June 30, 2020	Up to 1 year	1 - 5 years	Over 5 years	Non- interest bearing	Total
Assets					
Cash and cash equivalents	336,564	-	-	-	336,564
Due from broker	41,200	-	-	-	41,200
Financial assets at fair value through profit and loss	16,738	43,087	-	-	59,825
Total Assets	394,502	43,087	-	-	437,589
Liabilities					
	-	-	-	2,288	2,288
Total Liabilities	-	-	-	2,288	2,288
Interest sensitivity gap	394,502	43,087	-		

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. As the United States dollar is fixed relative to the Cayman Islands dollar, the Company is not exposed to currency risk.

Price Risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

At June 30, 2021, had market prices increased by 5% with all other variables held constant, unrestricted funds of the Company and total income per the statement of comprehensive income would have increased by CI\$4,323 (2020: CI\$2,991).

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 cash equivalents, due from broker and accounts receivable. Cash and cash equivalents and amounts receivable from broker are held with reputable commercial banks in the Cayman Islands.

FEED OUR FUTURE

Notes to Financial Statements (continued)

June 30, 2021

(stated in Cayman Islands dollars)

6. Financial instrument risk (continued)

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.

7. Other risk factors

Certain impacts from the COVID-19 outbreak may have a significant impact on the Company's operations and performance. These circumstances may continue for an extended period of time, and may have an adverse impact on economic and market conditions. The extent of the impact to the financial performance and the operations of the Company will depend on future developments, which are highly uncertain and cannot be predicted.

8. Fair value measurements recognised in the statement of financial position

The following information provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) and such inputs have a significant effect on the instruments valuation.

As at June 30, 2021 and June 30, 2020 the majority of the Company's financial assets at fair value through profit or loss are represented by liquid corporate bonds primarily located in the United States of America. The financial assets at fair value through profit or loss are classified within Level 2 of fair value hierarchy (June 30, 2021: CI\$86,456; June 30, 2020: CI\$59,825). No investment individually exceeds 10% of the Fund Balance as at June 30, 2021 and June 30, 2020.

9. 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, 2021

(stated in Cayman Islands dollars)

10. Subsequent events

In July 2021, the Cayman Islands Government announced an initiative to provide free meals to primary school children. This is expected to significantly reduce the Company's usual expenditures for those schools. In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to April 22, 2022, being the date that the financial statements were available to be issued.