# Drinagh Co-Operative Limited
## Society Information

## MEMBERS OF BOARD OF DIRECTORS AS AT 31st DECEMBER 2020

| Drinagh: | South West: | South: |
|---|---|---|
| Raymond Collins [2] | Michéal Leahy | Donie O'Donovan [1] |
| William Collins [1] | Michael John O'Donovan [3] | Jerome O'Mahony [1,3] |

| North: | East: | West: |
|---|---|---|
| John O'Mahony | Derry Scannell | Mary Hayes |
| Oliver Barry [2] | John Hurley | Donal McCarthy |

Castletownbere:

TJ Sullivan [2,3]

1 Member of Audit Committee
2 Member of Investment Committee
3 Member of Remuneration Committee

## OTHER INFORMATION

Chairman:
TJ Sullivan

Vice-Chairman:
Jerome O'Mahony

Chief Executive and Secretary:
Seamus Daly

Society number:
1723R

Bankers:
Allied Irish Banks plc,
Dunmanway Branch, Co. Cork

Registered Office:
Drinagh, Co. Cork

Auditor:
Crowley & McCarthy
Chartered Accountants
& Registered Auditors
Clonakilty, Co. Cork

Solicitors:
Murphy, Long & Taaffe,
Bandon
Co. Cork

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# Drinagh Co-Operative Limited
# Chairman's Report to Members

As Chairman of the Board of Directors I am pleased to report on a very successful year for the Society. The strength and resilience of Drinagh Co-op came to the fore during the challenges of 2020, a year that will always be remembered for Covid -19.

In early 2020, all our lives were quickly impacted from the threat of this new virus which swept across the globe. Economies slowed and the movement of people ceased overnight during March and it was a worrying time for all of us. However, it was during this period that our staff, milk suppliers, shareholders and loyal customers worked together to help keep each other safe and maintain the smooth running of the business across all divisions.

For the year under review, group turnover increased by 6.4% driven by an increase in output across all divisions - milk volume + 4.3%, mill volume + 9.9%, stores sales + 8.1% and pharmacy sales + 1.4%. This contributed to a 10.7% increase in pre trade bonus operating results of the Society from €4.99 million in 2019 to €5.53 million in 2020.

The portfolio of investments again performed positively in 2020 and I am also pleased to report the sale of the German property. In last year's financial statements, the property was revalued upwards by €2.47 million on foot of an improvement in the rented space and tenant lease terms plus indicative offers for the property. While the agreed net of costs selling price was €1.03 million less than its book value, over the life of this investment, a sizeable cash profit was made by the Society.

The performance of both Drinlis and Shinagh Estates continues to contribute positively to profit for the financial year.

Carbery reported another strong performance for 2020 with gross profit increasing by 4.7% on 2019. This can be attributed to the combined strength of its Dairy, Nutrition and Taste businesses. Dairy markets started 2020 on a positive note with stable prices but with the onset of Covid-19 extreme volatility hit the market and all commodities were impacted. At this critical stage, the stability fund was utilised to support the price and help milk producers through this unsettled period.

The cheese diversification project was completed during the year and mozzarella cheese rolled off the production line in September. This is another step in Carbery's journey to broaden their product offering and grow their customer base around the world.

Carbery paid a bonus of 0.50 cents per litre on 2020 milk supplies at year end.

Milk supply increased by 8.8 million litres to over 213.7 million litres. Favourable weather for grass growth in the key peak milk supply months and a stable milk price were crucial to this increase.

Our milk suppliers continue to produce top quality milk suitable for manufacturing value added products for international dairy markets. During the year, further quality improvements were made on farms by reducing thermoduric bacteria levels and changing wash routines to chlorine free detergents.

The Society's milk suppliers were at the forefront of local and national milk quality awards. John O'Regan, Kielbronogue, Schull was the Drinagh winner of the Carbery Milk Quality awards. Tim O'Mahony, Cooladreen, Leap was the Drinagh winner of the Carbery Sustainability award. William and Dan Joe O'Donovan, Minanes, Drinagh represented the Society in the NDC & Kerrygold Quality Milk awards. Richard Jennings, Keelinga, Leap received an award for having the lowest S.C.C. in the Society.

The board approved a bonus of 0.80 cents per litre on 2020 milk supplies at year end. The average milk price paid by the Society on 2020 milk supplies was 35.70 cents per litre after levies and charges and before VAT.

Sales in the trading division hit record levels in 2020 and a bonus of €15 per tonne on fertilizer purchases has been approved. Despite the restrictions of Covid-19, our pharmacies also performed very well during the year.

Output in the Society's provender mill increased by 9.9% in the year under review. Quality will always remain a priority in the mill and it is operated under the strict requirements of the Universal Feed Assurance Scheme (UFAS) to maintain this high standard. At year end significant bonuses similar to previous years were approved on mill feed purchases.

At year end Joe O'Sullivan retired as CEO. He was appointed Drinagh CEO in 1990 and the Drinagh Co-op of the early nineties was very different to the Society we are now familiar with. Joe, through his leadership, dedication and shrewd business acumen helped develop Drinagh into the success that it is today. I would like to take this opportunity to sincerely thank him for his 30 years' service as Chief Executive of the Society and wish him well for the future.

I would also like to wish our new CEO Seamus Daly the very best of luck and good fortune in his new role. Seamus has previously held a number of key positions with Drinagh and we look forward to him leading the Society on the next stage of its journey.

Due to Covid-19 2020 was a watershed year in all our lives. However, through a team effort from all involved the Society has emerged in a better position. I would like to thank our excellent staff, management, loyal customers and resilient farmers for their help and co-operation during the year.

I want to thank the Board for their work and patience and assuming a new way of working in this most challenging of years. None of us had heard of "zoom" before but we adapted quickly and held Board meetings remotely for the first time.

A special word of thanks to Mrs Mary Hayes and Mr Michèal Leahy who are retiring off the Board shortly. Thanks to both for their contributions to the Board during their terms of office. I would like to welcome Mr Fin O'Mahony and Mr Peadar O'Driscoll to the Board and wish them well in their roles.

After an unprecedented year in 2020, the Society's position in the local community and economy is never more important. We can look forward with confidence to the challenges and opportunities that will present themselves to the Society in the post Covid era.

TJ

# Drinagh Co-Operative Limited
## Directors Responsibilities Statement
## For the Year Ended 31 December 2020

The Board of Directors is responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

The Industrial and Provident Societies Acts 1893 to 2018 require the Board of Directors to prepare financial statements which give a true and fair view of the state of affairs of the Society and of the income and expenditure of the Society for each financial year. Under that law, the Board has elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Standards (Accounting Standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

In preparing these financial statements, the Board is 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 Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and which enables it to ensure that the financial statements are prepared in accordance with Irish Generally Accepted Accounting Practice and comply with the Industrial and Provident Societies Acts 1893 to 2018. The Board is 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.

Signed on behalf of the Board of Directors on 23 April 2021:

TJ Sullivan
Chairman

Jerome O'Mahony
Vice Chairman

**Opinion**

We have audited the financial statements of Drinagh Co-Operative Ltd (the 'Society') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the Society as at 31 December 2020 and of its profit for the year ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the Society's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of the report.

**Other information**

The directors are responsible for other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Industrial and Provident Societies Act 1893 to 2018**

As required by section 13(2) of the Industrial and Provident Societies Act 1893 to 2018 we examined the balance sheets showing the receipts and expenditure, funds and effects of the Society and verified the same with the books, deeds, documents, accounts and vouchers relating thereto and found them to be correct, duly vouched and in accordance with law.

## Respective responsibilities

### Responsibilities of the Board of Directors for the financial statements

As explained more fully in the Directors Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf. This description forms part of our auditor's report.

### The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Society's members, as a body, in accordance with section 13 of the Industrial and Provident Societies Act 1893 to 2018. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Derry Crowley**
**For and on behalf of Crowley & McCarthy**

**Chartered Accountants**
Building G
West Cork Technology Park
Clonakilty
Co Cork

23 April 2021

# Drinagh Co-Operative Limited
## Consolidated Income Statement For the Year Ended 31 December 2020

| | Notes | 2020 € | 2019 € |
|---|---|---|---|
| Turnover | 5 | 151,834,376 | 142,757,824 |
| Cost of sales | | (129,037,028) | (121,916,131) |
| **Gross profit** | | 22,797,348 | 20,841,693 |
| Production costs | | (1,604,374) | (1,542,337) |
| Trade bonus | 6 | (4,009,512) | (2,074,654) |
| Wages and salaries | 7 | (9,755,602) | (9,223,687) |
| Other operating costs | 8 | (5,126,753) | (5,319,795) |
| **Operating profit** | 9 | 2,301,107 | 2,681,220 |
| Share of operating results of associate and joint venture | | 8,512,413 | 8,531,410 |
| Investment and other income | 10 | 566,668 | 3,633,884 |
| Interest payable and similar expenses | 11 | (1,023,136) | (1,066,700) |
| **Profit on ordinary activities before tax** | | 10,357,052 | 13,779,814 |
| Tax on profit on ordinary activities | 12 | (2,247,963) | (3,059,352) |
| **Profit for the financial year** | | 8,109,089 | 10,720,462 |

The Consolidated Income Statement has been prepared on the basis that all operations are continuing operations.

Signed on behalf of the Board of Directors on 23 April 2021:

TJ Sullivan
**Chairman**

Jerome O'Mahony
**Vice Chairman**

Drinagh

# Drinagh Co-Operative Limited
## Consolidated Statement of Comprehensive Income
## For the Year Ended 31 December 2020

| | 2020 € | 2019 € |
|---|---|---|
| **Consolidated profit for the financial year** | 8,109,089 | 10,720,462 |
| **Other comprehensive income** | | |
| Share of remeasurement loss recognised on defined benefit schemes of associate | (124,707) | (124,657) |
| Redemption reserve movement of associate | (15,408) | 29,889 |
| Share of (loss)/gain of hedge instrument of associate | (116,484) | 265,068 |
| Share of currency translation differences on net assets of foreign investments of associate | (3,561,681) | 1,009,930 |
| **Total comprehensive income for the financial year** | 4,290,809 | 11,900,692 |

Drinagh

## Drinagh Co-Operative Limited
## Consolidated Statement of Changes in Equity
## For the Year Ended 31 December 2020

| | Share Capital | Profit and Loss Account | Other Reserves (Note 24) | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **Balance at 1 January 2019** | 6,293,921 | 100,810,224 | 30,698,734 | 137,802,879 |
| Profit for the year | - | 10,720,462 | - | 10,720,462 |
| Other comprehensive income | - | (94,768) | 1,274,998 | 1,180,230 |
| Total comprehensive income for the year | - | 10,625,694 | 1,274,998 | 11,900,692 |
| Transfer to fair value investment reserve | - | 389,177 | (389,177) | - |
| Issue of bonus shares | 102,330 | (74,338) | (27,992) | - |
| Dividends & share interest paid (note 13) | - | (244,211) | - | (244,211) |
| Shares subscribed for in the year | 9,000 | - | - | 9,000 |
| Shares cancelled during the year | (124,037) | - | - | (124,037) |
| **Balance at 31 December 2019** | 6,281,214 | 111,506,546 | 31,556,563 | 149,344,323 |
| Profit for the year | - | 8,109,089 | - | 8,109,089 |
| Other comprehensive income | - | (140,115) | (3,678,165) | (3,818,280) |
| Total comprehensive income for the year | - | 7,968,974 | (3,678,165) | 4,290,809 |
| Transfer to fair value investment reserve | - | 1,174,001 | (1,174,001) | - |
| Transfer to redemption reserve | - | (150,000) | 150,000 | - |
| Issue of bonus shares | 93,050 | (69,999) | (23,051) | - |
| Dividends & share interest paid (note 13) | - | (110,325) | - | (110,325) |
| Shares subscribed for in the year | 10,096 | - | - | 10,096 |
| Shares cancelled during the year | (49,705) | - | - | (49,705) |
| **Balance at 31 December 2020** | 6,334,655 | 120,319,197 | 26,831,346 | 153,485,198 |

Drinagh

# Drinagh Co-Operative Limited
## Consolidated Statement of Financial Position
## as at 31 December 2020

| | Notes | 2020 € | 2020 € | 2019 € | 2019 € |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | **14** | | 3,480,347 | | 3,923,572 |
| Tangible assets | **15** | | 13,125,578 | | 28,543,086 |
| Financial assets | **16** | | 97,393,585 | | 99,296,993 |
| | | | 113,999,510 | | 131,763,651 |
| **Current assets** | | | | | |
| Stocks | **17** | 9,247,241 | | 8,958,080 | |
| Debtors | **18** | 33,398,644 | | 27,738,288 | |
| Cash at bank and in hand | | 13,066,432 | | 3,021,029 | |
| | | 55,712,317 | | 39,717,397 | |
| **Creditors: amounts falling due within one year** | **19** | (15,061,404) | | (19,542,396) | |
| Net current assets | | | 40,650,913 | | 20,175,001 |
| **Total assets less current liabilities** | | | 154,650,423 | | 151,938,652 |
| **Creditors: amounts falling due after more than one year** | **20** | | (620,559) | | (663,636) |
| **Provisions for liabilities** | **21** | | (544,666) | | (1,930,693) |
| **Net assets** | | | 153,485,198 | | 149,344,323 |
| **Capital and reserves** | | | | | |
| Called up share capital | **22** | | 6,334,655 | | 6,281,214 |
| Other reserves | **24** | | 26,831,346 | | 31,556,563 |
| Profit and loss reserves | | | 120,319,197 | | 111,506,546 |
| **Total equity** | | | 153,485,198 | | 149,344,323 |

Signed on behalf of the Board of Directors on 23 April 2021:

TJ Sullivan
**Chairman**

Jerome O'Mahony
**Vice Chairman**

# Drinagh Co-Operative Limited
## Consolidated Statement of Cash Flows For the Year Ended 31 December 2020

| | Notes | 2020 € | 2020 € | 2019 € | 2019 € |
|---|---|---|---|---|---|
| **Net cash flows from operating activities** | **25** | | 943,334 | | 518,788 |
| **Cash flows from investing activities** | | | | | |
| Purchase of tangible fixed assets | | (2,637,719) | | (2,596,386) | |
| Purchase of investments | | (276,469) | | (1,341,012) | |
| Proceeds of sale of investments | | 19,897,191 | | 1,298,401 | |
| Proceeds of sale of fixed assets | | 53,100 | | 142,800 | |
| Investment income | | 303,750 | | 380,363 | |
| Taxation paid | **26** | (1,121,181) | | (134,350) | |
| Rental and other income | | 463,598 | | 553,497 | |
| **Net cash flows from investing activities** | | | 16,682,270 | | (1,696,687) |
| **Cash flows from financing activities** | | | | | |
| Redemption of ordinary shares | | (49,705) | | (124,037) | |
| Issue of ordinary shares | | 10,096 | | 9,000 | |
| New lease finance | | 391,325 | | 620,035 | |
| Repayment of borrowings | | (7,612,468) | | (1,086,797) | |
| Interest paid | | (484,910) | | (494,098) | |
| Equity dividend paid | | (62,703) | | (62,362) | |
| **Net cash flows from financing activities** | | | (7,808,365) | | (1,138,259) |
| **Net increase/(decrease) in cash and cash equivalents** | | | 9,817,239 | | (2,316,158) |
| Cash and cash equivalents at beginning of year | | | 2,990,059 | | 5,306,217 |
| **Cash and cash equivalants at end of year** | **27** | | 12,807,298 | | 2,990,059 |

## 1 General information

These financial statements comprising the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and related notes 1 to 34 constitute the Consolidated Financial Statements of Drinagh Co-operative Ltd for the financial year ended 31 December 2020.

Drinagh Co-Operative Ltd is a Society registered in the Republic of Ireland under the Industrial and Provident Societies Acts 1893 to 2018. The registered office is Drinagh, County Cork which is also the principal place of business for the Society. The nature of the Society's core operations are milk supply, mill and agri-trading.

**Statement of compliance**
The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

**Currency**
The financial statements have been presented in Euro (€) which is also the functional currency of the Society.

## 2 Accounting convention and basis of preparation

**Accounting convention**
The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention, modified to include certain financial instruments at fair value. They have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

**Basis of consolidation**
The Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows include the Financial Statements of the Society and of its subsidiary undertakings made up to 31 December 2020 and also the Group's share of the post acquisition profits of associated undertakings and joint venture.

**Changes to disclosures and comparative figures**
In preparing the Financial Statements for 2020, if necessary, changes to the comparative 2019 figures would be made in order to maintain consistency with the nature of the figures being reported for 2020.

## 3 Principal accounting policies

### 3.1 Revenue

Revenue is stated net of trade discounts, volume rebates, VAT and similar taxes and derives from the provision of goods and services falling within the Society's ordinary activities. Revenue on the sale of goods is recognised when the Society has transferred the significant risk and reward of ownership in the goods, which usually takes place when the goods are physically delivered to the buyer. Deposits received from customers in advance of completion of sales of goods at the end of the financial year are not treated as revenue.

### 3.2 Intangible assets - goodwill

Goodwill is recognised and measured as the excess of the cost paid on the acquisition of a business and the aggregate of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite economic life and is amortised through the Consolidated Income Statement in equal instalments over its estimated economic life on a straight line basis. If no reliable estimate can be made of its useful life it is amortised over a maximum ten year period. Goodwill is taken into consideration, when that part of the business which caused the initial entry is subsequently sold or closed, in determining the profit or loss on disposal. Any excess of the aggregate of the fair value of the net assets over the fair value of the acquisition costs is negative goodwill and is credited directly to reserves.

The fair value of the assets and liabilities are based on valuations using assumptions deemed by management to be appropriate. Professional valuers are engaged when it is deemed appropriate to do so.

### 3.3 Tangible fixed assets

All tangible fixed assets, other than investment properties, are initially recorded at historic cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, and also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality. Freehold land and buildings are subsequently measured under the cost model. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Consolidated Income Statement.

Investment property, which is property held to earn rental returns and/or capital appreciation, is measured on the basis of fair value determined from market based evidence. Surpluses and deficits on valuation are taken to the Consolidated Income Statement. Profits or losses on the sale of investment property included in the Consolidated Income Statement are calculated as the difference between the net sales proceeds and the carrying value.

#### Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less residual value, of each asset systematically over its expected useful life, on a straight line basis, as follows:

| | |
|---|---|
| Freehold land and buildings | Land is not depreciated. Buildings 2.5% to 7.5% |
| Plant and equipment | 10% to 25% |
| Transport vehicles | 25% |

No depreciation is provided against investment properties. These properties are held for investment purposes only and the Board considers that systematic annual depreciation would be inappropriate. Depreciation is only one of the factors reflected in the annual valuation and the amount of which might otherwise have been shown cannot reasonably be separately identified or quantified.

**3 Principal accounting policies** **(Continued)**

**3.4 Financial fixed assets**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Consolidated Income Statement.

A subsidiary is an entity controlled by the Society. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Society holds a long-term interest and where the Society has significant influence. The Society considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. In the parent Society consolidated financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the Society has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and changes in fair value are recognised in the Consolidated Income Statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**3.5 Impairment of fixed assets**

Where there is objective evidence that the recoverable amount of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Consolidated Income Statement, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the Consolidated Income Statement, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets, goodwill and other intangible fixed assets is the higher of the fair value less the cost to sell the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the Society which is considered by the directors to be a single cash generating unit.

## 3 Principal accounting policies (Continued)

### 3.6 Stocks

Stocks have been valued at the lower of cost and net realisable value using the first in first out method. Cost consists of direct materials and, in the case of products manufactured by the Society, may also include direct labour costs, together with the relevant production overheads based on normal level of capacity. Net realisable value comprises the normal selling price, less appropriate selling and distribution costs. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Consolidated Income Statement. Reversal of impairment losses are also recognised in the Consolidated Income Statement.

### 3.7 Financial instruments

The Society has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Society's Statement of Financial Position when the Society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the consolidated financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Cash and cash equivalents***

Cash consists of cash in hand and demand deposits and bank overdrafts. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

***Share capital***

The share capital of the Society is presented as equity.

***Basic financial assets***

Basic financial assets, which include trade and other receivables, and cash and bank balances, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

***Other financial assets***

Other financial assets include trade debtors for goods sold to customers on short term credit which are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

***Listed investments***

The Society holds investments in equitable shares of a number of companies which are listed and actively traded on recognised stock markets. These investments are initially recorded at cost plus transaction costs and thereafter valued at fair value based on the bid price of the securities in an active market at the reporting date. Gains and losses as a result of fair value are recognised in the Consolidated Income Statement.

**3 Principal accounting policies (Continued)**

***Unlisted investments***

The Society holds investments in unlisted equity shares of a number of entities. Where the fair value of shares cannot be reliably determined these investments are valued at cost. Where the fair value can be reliably determined these investments are initially recorded at cost plus transaction costs and thereafter valued at fair value based on the bid price on an active grey market at the reporting date. Gains and losses as a result of fair value are recognised in the Consolidated Income Statement.

***Impairment of financial assets***

At the end of each financial reporting period, the Society assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including unlisted investments, loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the Consolidated Income Statement in that financial year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Society after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

***Loans and borrowings***

All loans and borrowings, both assets and liabilities are initially recorded at the present value of cash payable to the lender in settlement of the liability discounted at the market interest rate. Subsequently loans and borrowings are stated at amortised cost using the effective interest rate method. The computation of amortised cost includes any issue costs, transaction costs and fees, and any discount or premium on settlement, and the effect of this is to amortise these amounts over the expected borrowing period. Loans with no stated interest rate and repayable within one year or on demand are not amortised. Loans and borrowings are classified as current assets or liabilities unless the borrower has an unconditional right to defer settlement of the liability for at least twelve months after the financial year end date.

***Other financial liabilities***

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the Society's obligations are discharged, cancelled, or they expire.

**3 Principal accounting policies (Continued)**

***Equity instruments***

Equity instruments issued by the Society are recorded at the value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Society.

**3.8 Taxation and deferred taxation**

The taxation expense represents the sum of the tax currently payable and deferred tax.

The charge for taxation is based on the profit for the financial year and is calculated with reference to the tax rates applying at the financial year end date in the jurisdiction where the tax is applied.

Deferred taxation is calculated on the differences in the Society's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Full provision for deferred tax assets and liabilities is made at current tax rates expected to apply in the years in which the timing differences are expected to reverse, based on tax rates on differences that arise between recognition of gains and losses in the financial statements and their recognition in the tax computation, including differences arising on revaluation of fixed assets. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**3.9 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**3.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**3 Principal accounting policies** **(Continued)**

### 3.11 Retirement benefits

The Society participates in the Irish Co-operative Societies Pension Scheme and the Dairy Executives Pension Fund, both of which are multi-employer defined benefit schemes providing benefits based on final pensionable salary, and operates a defined contribution pension schemes for its employees.

Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost and past service costs net of the excess of the expected return on scheme assets over the interest cost on the scheme liabilities. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Consolidated Statement of Comprehensive Income for the year in which they occur. Where it is not possible to identify the Society's share of the underlying assets and liabilities of this industry wide defined benefit scheme and as permitted by FRS 102, the scheme is accounted for as a defined contribution scheme.

Retirement benefit contributions in respect of defined contribution schemes for employees are charged to the Consolidated Income Statement as they become payable in accordance with the rules of the scheme. The assets are held separately from those of the Society in an independently administered fund. Differences between the amounts charged in the Consolidated Income Statement and payments made to the retirement benefit scheme are treated as assets or liabilities.

### 3.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the Consolidated Statement of Financial Position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Consolidated Income Statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## 3 Principal accounting policies (Continued)

### 3.13 Foreign currencies

Foreign currency transactions during the year have been translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to euro at the rate of exchange ruling at the financial year end date. Non monetary items that are measured at historic cost are translated at the foreign exchange rate ruling at the date of the transaction. Non monetary items measured at fair value are translated at the rate of exchange at the date of valuation. The resulting profits and losses are taken to the Consolidated Income Statement.

The assets and liabilities of foreign undertakings are translated at the rate of exchange ruling at the year end date. The results of foreign undertakings are translated at the average monthly rates prevailing during the year. The exchange difference arising on the retranslation of opening net assets is recognised in the Consolidated Statement of Comprehensive Income and accumulated in reserves. All other translation differences are taken to the Consolidated Income Statement.

The principal exchange rates used for the translation of results, cash flows, and liabilities into Euros were as follows:

| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
|---|---|---|---|---|---|---|
| | €1 to STG£ | €1 to STG£ | €1 to US$ | €1 to US$ | €1 to CAD$ | €1 to CAD$ |
| Average | 0. 88970 | 0. 87777 | 1. 14220 | 1. 11950 | 1. 53000 | 1. 48550 |
| Year end | 0. 89903 | 0. 85080 | 1. 22710 | 1. 12340 | 1. 56330 | 1. 45980 |

### 3.14 Share interest and dividends

Financial share interest to the Society's equity shareholders is recognised as a liability of the Society when approved by the Society's shareholders. Interim share interest is recognised when paid.

### 3.15 Debtors

Known bad debts are written off and specific provision is made for any amounts, the collection of which is considered doubtful.

## 4 Judgements and key sources of estimation uncertainty

In application of the Society's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The following are the Society's key sources of estimation uncertainty:

***Impairment of trade debtors***
The Society trades with a large and varied number of customers on credit terms. Some debts due may not be paid through the default of a small number of customers. The Society uses estimates based on historic experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amount of trade debtors at financial year end is disclosed in note 18.

***Impairment of stocks***
The Society holds inventories at financial year end as disclosed in note 17. The Directors are of the view that an adequate charge has been made to reflect the possibility of stocks being sold at less than cost. However, this estimate is subject to inherent uncertainty.

***Useful lives of tangible fixed assets***
Long-lived assets comprising mainly of property, plant and machinery and intangible assets represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The Directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives the Directors consider technological change, patterns of consumption, physical condition, and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the financial year end is disclosed in note 15.

***Goodwill***
The Society establishes a reliable estimate of the useful life of goodwill on business considerations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating unit to which the goodwill is attributable, any legal regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

***Taxation***
Management estimation is required to determine the amount of deferred tax assets that can be recognised, based on likely timing and level of future profit, together with an assessment of the effect of future tax planning strategies.

## 5 Turnover and other revenue

All revenue activities were wholly undertaken in the Republic of Ireland

| | 2020 € | 2019 € |
|---|---|---|
| **Turnover analysed by class of business** | | |
| Creamery | 79,261,700 | 75,002,978 |
| Mill | 24,741,329 | 22,922,725 |
| Stores | 47,813,596 | 44,816,060 |
| Other | 17,751 | 16,061 |
| | 151,834,376 | 142,757,824 |

## 6 Trade bonus

| | 2020 € | 2019 € |
|---|---|---|
| Milk bonus | 2,719,780 | 981,246 |
| Mill bonus | 898,332 | 850,429 |
| Stores bonus | 391,400 | 242,979 |
| | 4,009,512 | 2,074,654 |

The milk bonus represents the following: 0.527 cent per litre on variable price milk supplied in the calendar year 2020 plus 0.80 cent per litre of milk supplied in the calendar year 2020 where purchases from the Society were greater than 7 cent per litre; 0.40 cent per litre where purchases were less than 7 cent per litre and greater than 5 cent per litre; no bonus applied where purchases were less than 5 cent per litre. (2019: 0.50 cent per litre of milk supplied in the calendar year 2019 where purchases from the Society were greater than 7 cent per litre; 0.25 cent per litre where purchases were less than 7 cent per litre and greater than 5 cent per litre; no bonus applied where purchases were less than 5 cent per litre.)

The mill bonus represents €15.00 per tonne on compounded ruminant feed for 2020 (2019: €15.00), €10.00 per tonne on mixes (2019: €10.00), €5.00 per tonne on pig feed (2019: €5.00), and €2.50 per tonne on feed straights (2019: €2.50).

The stores bonus represents €15.00 per tonne on fertilizer purchases in 2020 (2019: €10.00).

## 7 Employees

The average number of employees during the year, analysed by category, was as follows:

| | 2020 Number | 2019 Number |
|---|---|---|
| Production/Operations | 185 | 183 |
| Sales | 2 | 2 |
| Administration | 23 | 23 |
| | 210 | 208 |

The aggregate payroll costs of these employees were as follows:

| | 2020 € | 2019 € |
|---|---|---|
| Wages and salaries | 8,326,358 | 7,894,192 |
| Social welfare costs | 874,453 | 798,439 |
| Pension and related costs | 554,791 | 531,056 |
| | 9,755,602 | 9,223,687 |

## 8 Other operating costs\(profits)

| | 2020 € | 2019 € |
|---|---|---|
| Distribution & selling costs | 1,162,670 | 1,423,792 |
| Administrative overhead | 1,360,980 | 1,536,749 |
| Depreciation | 2,211,155 | 2,035,329 |
| Amortisation of goodwill | 443,225 | 443,225 |
| Profit on sale of tangible fixed assets | (51,277) | (119,300) |
| | 5,126,753 | 5,319,795 |

The profit on sale of tangible fixed assets is derived from the trade-in or disposal of vehicles and related equipment (2019: the trade-in or disposal of vehicles and other equipment).

## 9 Operating profit

| | 2020 € | 2019 € |
|---|---|---|
| Operating profit is stated after charging/(crediting) | | |
| Depreciation of owned assets (note 15) | 1,730,553 | 1,271,204 |
| Depreciation of assets held under finance leases (note 15) | 480,602 | 764,125 |
| Amortisation and impairment of intangibles (note 14) | 443,225 | 443,225 |

## 10 Investment and other income

| | 2020 € | 2019 € |
|---|---|---|
| Profit on sale of listed securities | 473,841 | 26,212 |
| Fair value adjustment of investments | 344,391 | 158,891 |
| Investment income | 303,751 | 380,412 |
| Book loss on sale (2019: increase in book value) of foreign investment property | (1,031,247) | 2,447,843 |
| Loss on disposal of unlisted investments | - | (10,025) |
| Rental and other income | 463,598 | 553,497 |
| | 554,334 | 3,556,830 |
| **Share of associate** | | |
| Investment income | 7,880 | 70,205 |
| Other finance income | 4,454 | 6,849 |
| | 12,334 | 77,054 |
| | 566,668 | 3,633,884 |

## 11 Interest payable and similar expenses

| | 2020 € | 2019 € |
|---|---|---|
| Interest payable - Society & subsidaries | 484,910 | 494,098 |
| **Share of associates and joint venture** | | |
| Interest payable | 538,226 | 572,602 |
| | 1,023,136 | 1,066,700 |

## 12 Taxation

| | 2020 € | 2019 € |
|---|---|---|
| **Domestic current year tax** | | |
| Corporation tax on profits for the year | 1,608,647 | 455,503 |
| Adjustments in respect of prior years | (7,198) | (3,122) |
| Total current tax | 1,601,449 | 452,381 |
| Deferred tax on fair value of investments | (1,386,027) | 672,827 |
| Domestic tax on profits on ordinary activities | 215,422 | 1,125,208 |
| Share of tax of associate companies | 2,015,493 | 1,917,701 |
| Share of tax of joint venture | 17,048 | 16,443 |
| Amount charged to the profit and loss account | 2,247,963 | 3,059,352 |

## 12 Taxation (Continued)

| Factors affecting the tax charge for the year: | 2020<br>€ | 2019<br>€ |
|---|---|---|
| Profit on ordinary activities before taxation | 10,357,052 | 13,779,814 |
| Less share of profit in associates and joint ventures | (7,986,521) | (8,035,864) |
| Profit on ordinary activities before taxation (excluding profits from associates and joint venture) | 2,370,531 | 5,743,950 |
| Standard tax rate | 12. 50% | 12. 50% |
| Expected tax | 296,316 | 717,994 |
| Actual tax charge | 215,422 | 1,125,208 |
| Difference | (80,894) | 407,214 |
| **Effects of:** | | |
| Tax rate difference on revalued assets | (143,025) | 364,824 |
| Other tax adjustments | 32,751 | 18,184 |
| Prior year adjustment | (7,198) | (3,122) |
| Depreciation in excess of capital allowances | 101,847 | 88,955 |
| Tax rate difference on passive income | 4,011 | 13,260 |
| Franked investment income not taxed | (17,408) | (16,250) |
| Disallowable expenses | (51,872) | (58,637) |
| | (80,894) | 407,214 |

## 13 Dividends and share interest paid

| | 2020<br>€ | 2019<br>€ |
|---|---|---|
| Dividend of one cent per share on shares issued as at 31 December 2019 (2019: one cent per share on shares issued as at 31 December 2018) | 62,703 | 62,362 |
| Share of associate<br>6.5% annual coupon on 'B' ordinary shares | 47,622 | 181,849 |
| | 110,325 | 244,211 |

## 14 Intangible assets

| | Goodwill |
|---|---|
| | € |
| **Cost** | |
| At 1 January 2020 & 31 December 2020 | 5,907,445 |
| **Amortisation** | |
| At 1 January 2020 | 1,983,873 |
| Amortisation charged for the year | 443,225 |
| At 31 December 2020 | 2,427,098 |
| **Carrying amount** | |
| At 31 December 2020 | 3,480,347 |
| At 31 December 2019 | 3,923,572 |

Goodwill arose on the acquisition of GWB Trading Ltd in 2012 and is being amortised over the estimate of useful life of 20 years, in accordance with the Society's accounting policy. At the financial year end date the remaining amortisation period is 11.3 years.

Goodwill arose on the acquisition of James O'Sullivan (Chemist) Ltd and is being amortised over the estimate of useful life of 10 years, in accordance with the Society's accounting policy. At the financial year end date the remaining amortisation period is 5.7 years.

Goodwill arose on the acquisition of McCarthy's Pharmacy (Schull) Ltd is being amortised over the estimate of useful life of 10 years in accordance with the Society's accounting policy. At the financial year end date the remaining amortisation period is 6.7 years.

## 15 Tangible fixed assets

| | Freehold land and buildings | Investment property | Plant and equipment | Transport vehicles | Total |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| **Cost** | | | | | |
| At 1 January 2020 | 14,589,748 | 14,147,843 | 19,336,779 | 5,567,773 | 53,642,143 |
| Additions | 798,536 | - | 1,068,880 | 770,303 | 2,637,719 |
| Disposals | - | (14,147,843) | (2,931,088) | (356,253) | (17,435,184) |
| At 31 December 2020 | 15,388,284 | - | 17,474,571 | 5,981,823 | 38,844,678 |
| **Depreciation and impairment** | | | | | |
| At 1 January 2020 | 7,203,127 | - | 14,045,839 | 3,850,091 | 25,099,057 |
| Profit and loss charge | 242,420 | - | 1,116,758 | 851,977 | 2,211,155 |
| Disposals | - | - | (1,236,682) | (354,430) | (1,591,112) |
| At 31 December 2020 | 7,445,547 | - | 13,925,915 | 4,347,638 | 25,719,100 |
| **Carrying amount** | | | | | |
| At 31 December 2020 | 7,942,737 | - | 3,548,656 | 1,634,185 | 13,125,578 |
| At 31 December 2019 | 7,386,621 | 14,147,843 | 5,290,940 | 1,717,682 | 28,543,086 |

Freehold land which is not depreciated is included in land and buildings.

The investment property was sold in December 2020.

The title deeds to the Society's properties are deposited with Allied Irish Banks, plc. In addition, Allied Irish Banks plc holds a fixed charge over specific land and premises of the Society and a floating charge over all the assets of the Society.

## 15 Tangible fixed assets (Continued)

Included in Transport Vehicles are leased and previously leased assets as follows:

| | Leased Assets |
|---|---|
| **Cost** | € |
| At 1 January 2020 | 4,079,776 |
| Additions | 438,325 |
| Disposals | (269,200) |
| At 31 December 2020 | 4,248,901 |
| **Depreciation and impairment** | |
| At 1 January 2020 | 3,101,547 |
| Profit and loss charge | 480,602 |
| Disposals | (269,200) |
| At 31 December 2020 | 3,312,949 |
| **Carrying amount** | |
| At 31 December 2020 | 935,952 |
| At 31 December 2019 | 978,229 |

## 16 Financial assets

| | Notes | 2020 € | 2019 € |
|---|---|---|---|
| **Investment in associated undertaking** | (a) | | |
| At cost | | 85,073 | 2,085,073 |
| Group share of post acquisition net assets | | 83,816,938 | 81,780,001 |
| Loan to associated undertakings | | 6,908,647 | 6,908,647 |
| | | 90,810,658 | 90,773,721 |
| **Investment in joint venture undertaking** | (b) | | |
| At cost | | 50 | 50 |
| Group share of post acquisition net assets | | (2,382) | (53,523) |
| Loan to joint venture | | 748,285 | 748,285 |
| | | 745,953 | 694,812 |
| **Other financial investments** | (c) | | |
| Listed securities | | 4,475,014 | 6,609,232 |
| Unlisted securities | | 1,361,960 | 1,219,228 |
| | | 5,836,974 | 7,828,480 |
| | | 97,393,585 | 99,296,993 |

## 16 Financial assets (Continued)

**(a) Investment in associated undertaking**
The investment in the associated undertaking comprises a 34.26% (2019: 34.25%) interest in Carbery Creameries Limited, which is engaged in the development, management and supply of cheeses, alcohol and select food ingredients plus 40% (2019: 40%) in Shinagh Estates Limited, which is a holding investment company. During 2020 under Carbery's Milk Supply Share Scheme, the 'B' Ordinary Shares decreased by 34,258, thereby increasing the shareholding % of Drinagh Co-operative Ltd. During 2013 the Society invested €2,000,000 in acquiring ordinary shares in Carbery Investments (Drinagh) Limited (CIDL), a ıbsidiary of Carbery Creameries Limited. These shares were redeemed by CIDL in November 2020.

The loan to the associated undertakings comprises an interest free loan for €6,908,647 (2019: €6,908,647) to Carbery Creameries Ltd with no fixed repayment term (it is subordinated to the rights of the associate's bankers).

**(b) Investment in joint venture undertaking**
The investment in Joint Venture represents a 50% (2019: 50%) share in Drinlis Properties Limited, a company engaged in property investment.

The loan to the joint venture undertaking is an interest free loan with no fixed repayment term.

**(c) Other financial investments**

| | Listed investments € | Unlisted investments € |
|---|---|---|
| **Cost or valuation** | | |
| At 1 January 2020 | 6,609,232 | 1,219,228 |
| Additions and disposals | (2,478,609) | 142,732 |
| Revaluations | 437,223 | - |
| At 31 December 2020 | 4,567,846 | 1,361,960 |
| **Provision for diminution in value** | | |
| At 1 January 2020 | - | - |
| Increase in provision for year | 92,832 | - |
| At 31 December 2020 | 92,832 | - |
| **Carrying value** | | |
| At 31 December 2020 | 4,475,014 | 1,361,960 |
| At 31 December 2019 | 6,609,232 | 1,219,228 |

## 16 Financial assets (Continued)

The listed investments, all of which are equity investments listed on recognised stock exchanges, are measured at fair value through the Consolidated Income Statement in line with the Society accounting policy. The fair value was determined with reference to bid price at the financial year end date.

Included in the unlisted investments are shares in Mainstream Renewable Power Limited. These unlisted investments, are measured at fair value through the Consolidated Income Statement in line with the Society's accounting policy. The fair value was determined with reference to bid price at the financial year end date.

In the opinion of the Board of Directors, the value of the Society's other unlisted investments is not less than cost.

**(d) Subsidiary Companies**

| Name | Principal Activities | Group Interest | Address of Registered Office |
|---|---|---|---|
| Drinagh Sales Ltd | Dormant | 100% | Drinagh, Co. Cork |
| G.W.B. Trading Ltd | Dormant | 100% | Drinagh, Co. Cork |
| James O'Sullivan (Chemist) Ltd | Pharmacy | 100% | Drinagh, Co. Cork |
| McCarthy's Pharmacy (Schull) Ltd | Dormant | 100% | Drinagh, Co. Cork |

## 17 Stocks

| | 2020 € | 2019 € |
|---|---|---|
| Finished goods | 8,500,313 | 8,299,754 |
| Raw materials | 507,457 | 434,044 |
| Expense stocks | 239,471 | 224,282 |
| | 9,247,241 | 8,958,080 |

Stocks considered obsolete are written down to net realisable value.

In the opinion of the directors, there are no material differences between the replacement cost of stock and the carrying amounts.

## 18 Debtors

| | 2020 € | 2019 € |
|---|---|---|
| Trade debtors | 9,439,439 | 8,809,768 |
| Withholding tax | 211,955 | 246,223 |
| Carbery Creameries Limited | 22,253,059 | 17,403,116 |
| Prepayments and accrued income | 1,494,191 | 1,279,181 |
| | 33,398,644 | 27,738,288 |

**18 Debtors** **(Continued)**

All debtors are due within 1 year. All trade debtors are due within the Society's normal terms, which is 30 days. Trade debtors are shown net of impairment of doubtful debts.

**19 Creditors: amounts falling due within one year**

| | 2020 € | 2019 € |
|---|---|---|
| Bank overdraft | 259,134 | 30,970 |
| Bank loans (note 20) | - | 6,890,000 |
| Lease liability (note 20) | 355,498 | 643,564 |
| Trade creditors & accruals | 13,944,963 | 11,569,697 |
| Corporation tax payable | 183,649 | 155,505 |
| Other taxation and social security | 318,160 | 252,660 |
| | 15,061,404 | 19,542,396 |
| Included in other taxation and social security are the following amounts: | | |
| PAYE/PRSI | 318,160 | 252,660 |

The repayment terms of trade creditors vary from on demand and ninety days. No interest is payable on trade creditors. Trade creditors include an amount of €5.3M (2019: €5.3M) in respect of goods for which ownership is not passed until payment is made.

Tax and social insurance are subject to terms of the relevant legislation. Interest accrues on late payment however no interest was due at the financial period end.

The terms of the accruals are based on the underlying contracts and other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

The overdraft is provided by Allied Irish Bank PLC. and is secured by a floating charge over all assets of the Society and is repayable on demand.

## 20 Creditors: amounts falling due after more than one year

| | 2020 € | 2019 € |
|---|---|---|
| Bank loan | - | 6,890,000 |
| less amount falling due within one year (note 19) | - | (6,890,000) |
| | - | - |

The loan was provided by Hypothekenbank Frankfurt AG (owned by Commerzbank) and was secured on a property acquired in Germany by Drinagh Co Operative GmbH without recourse to that company or Drinagh Co-Operative Limited. The loan was repaid out of the proceeds from the sale of the property in December 2020.

| | 2020 € | 2019 € |
|---|---|---|
| Lease Liability | 976,057 | 1,307,200 |
| less amount falling due within one year (note 19) | (355,498) | (643,564) |
| | 620,559 | 663,636 |
| Repayable as follows: | | |
| Between two and five years | 620,559 | 663,636 |
| After five years | - | - |
| | 620,559 | 663,636 |

The effective rate of interest on the leases was 2.01% (2019: 2.13%). The conditions of the leases allow the lessor the right to take possession of the asset if the covenants regarding repayment of the leases are not complied with.

| | 2020 € | 2019 € |
|---|---|---|
| Total amounts falling due after more than one year | 620,559 | 663,636 |

## 21 Provisions for liabilities

| | 2020 € | 2019 € |
|---|---|---|
| **Deferred Taxation** | | |
| At 1 January | 1,930,693 | 1,257,866 |
| Charged to Consolidated Income Statement | (1,386,027) | 672,827 |
| At 31 December | 544,666 | 1,930,693 |

## 22 Called up share capital

Allotted, called up and fully paid shares of €1 each:

| | 2020 € | 2019 € |
|---|---|---|
| At 1 January | 6,281,214 | 6,293,921 |
| Bonus shares issued (see below) | 93,050 | 102,330 |
| Subscribed for during the year | 10,096 | 9,000 |
| Shares cancelled during the year | (49,705) | (124,037) |
| At 31 December | 6,334,655 | 6,281,214 |

The ordinary shares have no right to fixed income.

During the year the Society issued the following bonus shares

| | 2020 € | 2019 € |
|---|---|---|
| Shares issued for redemption bonus | 23,051 | 27,992 |
| Based on trading with the Society for 2019 (2019: for 2018): | 69,999 | 74,338 |
| | 93,050 | 102,330 |

## 23 Retirement benefit schemes

**Defined Benefit Pension Schemes**

The Society participates in the Irish Co-operative Societies' Pension Scheme and the Dairy Executives' Pension Fund, both of which are multi employer defined benefit schemes. Contributions to the schemes are determined with the advice of independent professionally qualified actuaries on the basis of triennial valuations using the projected unit credit method. It is not possible to identify the Society's share of the underlying assets and liabilities of these industry wide defined benefit schemes and as permitted by FRS102, the schemes are accounted for as defined contribution schemes. Contributions to the Irish Co-operative Societies' Pension Scheme amounted to €1K (2019: €4K) and completed in April 2020; in February 2015 contributions for the Dairy Executives' Pension Fund completed. All Society scheme members of both schemes were either retired members of the schemes or deferred members of the schemes at those completion dates.

The most recent full actuarial valuation of the Irish Co-operative Societies' Pension Scheme was carried out on 1st January 2020 and the most recent full actuarial valuation of the Dairy Executives Pension Fund was carried out on 31st March 2019. An Actuarial Funding Certificate was prepared separately for each scheme effective on the valuation date confirming the respective scheme satisfied the relevant Pensions Act 1990 funding standard. A Funding Standard Reserve Certificate was also prepared separately for each scheme effective on the respective valuation date confirming the respective scheme had sufficient additional assets to satisfy the relevant 1990 Pensions Act funding standard reserve. In the most recent annual funding update the Actuary's Statement dated 9th December 2020 for the Dairy Executives Pension Fund, confirms that the actuary is satisfied that the Scheme continued to meet the Funding Standard and the Funding Standard Reserve as at 31st March 2020.

**Defined Contribution Pension Schemes**

The Society operates a defined contribution pension schemes for some of its employees which require contributions to be made to separately administered funds. The contributions payable by the Society are charged to operating profit in the year in which they relate and amounted to €447,235 (2019: €395,328).

## 24 Other reserves

| | Capital reserves | Redemption reserve | Fair value investment reserve | Total |
|---|---|---|---|---|
| | € | € | € | € |
| At 1 January 2020 | 29,276,718 | - | 2,279,845 | 31,556,563 |
| Currency translation gain on net assets of associate | (3,678,165) | - | - | (3,678,165) |
| Issue of bonus shares | - | (23,051) | - | (23,051) |
| Transfer from /(to) Profit & Loss Account | - | 150,000 | (1,174,001) | (1,024,001) |
| At 31 December 2020 | 25,598,553 | 126,949 | 1,105,844 | 26,831,346 |

**24 Other reserves** **(Continued)**

The capital reserve represents pre-acquisition profits of associates plus currency translation gains/(losses) on net assets of associates over time.

The fair value investment reserve represents the un-realised profits derived from re-stating at fair value those investments which can be reliably measured as such.

**25 Net cash flows from operating activities**

| | 2020 € | 2019 € |
|---|---|---|
| Consolidated profit for the financial year | 8,109,089 | 10,720,462 |
| **Adjustments for:** | | |
| Taxation charge in the Consolidated Income Statement | 2,247,963 | 3,059,352 |
| Interest payable & similar charges | 1,023,136 | 1,066,700 |
| Investment & other income | (566,668) | (3,633,884) |
| Share of operating results of associates and joint venture | (8,512,413) | (8,531,410) |
| Profit on sale of tangible fixed assets | (51,277) | (119,300) |
| Depreciation of tangible fixed assets | 2,211,155 | 2,035,329 |
| Amortisation of goodwill | 443,225 | 443,225 |
| Tax paid on operating activities (note 26) | (452,125) | (652,083) |
| (Increase)/decrease in stocks | (289,161) | 1,088,546 |
| (Increase) in debtors | (5,660,356) | (4,007,977) |
| Increase/(decrease) in creditors | 2,440,766 | (950,172) |
| **Net cash inflow from operating activities** | 943,334 | 518,788 |

**26 Tax paid**

| | 2020 € | 2019 € |
|---|---|---|
| Tax paid on operating activities | 452,125 | 652,083 |
| Tax paid on investing activities | 1,121,181 | 134,350 |
| | 1,573,306 | 786,433 |

**27 Components of cash and cash equivalents**

| | 2020 € | 2019 € |
|---|---|---|
| Cash at bank and in hand | 13,066,432 | 3,021,029 |
| Bank overdrafts | (259,134) | (30,970) |
| | 12,807,298 | 2,990,059 |

## 28 Capital commitments

Future capital expenditure approved by the Board of Directors but not provided for in these financial statements is as follows:

| | 2020 € | 2019 € |
|---|---|---|
| Contracted for: | 677,000 | 998,000 |
| Authorised but not contracted for | 40,000 | - |

## 29 Financial instruments

The analysis of the carrying amounts of the financial instruments of the Society required under section 11 of FRS 102 is as follows:

| | 2020 € | 2019 € |
|---|---|---|
| **Financial assets at fair value through the Consolidated Income Statement** | | |
| Listed fixed asset investments | 4,475,014 | 6,609,232 |
| Unlisted fixed asset investments | 949,995 | 949,995 |
| **Financial assets that are equity instruments measured at cost less impairment** | | |
| Unlisted fixed asset investments | 411,965 | 269,233 |
| **Financial assets that are debt instruments measured at amortised cost** | | |
| Trade debtors (including Carbery balance) | 31,692,498 | 26,212,884 |
| Other debtors | 211,955 | 246,223 |
| **Financial liabilities measured at amortised cost** | | |
| Bank and other loans | 259,134 | 6,920,970 |
| Trade creditors | 13,944,963 | 11,569,697 |
| Obligations under finance leases | 976,057 | 1,307,200 |

## 30 Related party transactions

Members of the Board of Directors and their families trade with the Society on a normal commercial basis. The level of purchases from and sales to the members of the Board of Directors and their families by the Society amounted to €2,558,910 (2019: €2,232,693) and €1,105,747 (2019: €671,757) respectively. At 31 December 2020 trading balances amounted to €242,694 (2019 €190,615).

Total sales to Carbery Creameries Limited for the year were €78,066,923 (2019: €74,746,993).

Board members who attend monthly, special, audit committee, investment committee and remuneration committee meetings receive a fee of €200 per full day meeting attended plus mileage allowance (both of which are subjected to PAYE, PRSI and Levies, where applicable, in arriving at the net amount paid). Board members who attend other meetings (including certain courses) on Society business receive the same fee and are re-imbursed for expense outlay incurred. Board members who attend relevant continuing education courses have associated costs re-imbursed.

In 2020 there were 12 monthly meetings, 3 special meetings, 4 audit committee meetings, 1 investment committee meeting and 6 remuneration committee meetings. The following schedule sets out the total number of meetings for which Board members received a fee plus the total amount which was paid to the Board members (before the deduction of PAYE, PRSI and Levies) associated with those meetings, attendance at courses and any other re-imbursed expenditure including continuing education courses.

| Board Member | No. of Meetings | € | Also a Member of: |
|---|---|---|---|
| Oliver Barry | 16 | 3,380 | Investment Committee (from Oct '20) |
| Raymond Collins | 16 | 3,272 | Investment Committee |
| William Collins | 21 | 4,255 | Audit Committee |
| Mary Hayes | 15 | 3,332 | |
| John Hurley (from Oct '20) | 3 | 623 | |
| Ian Kingston (until Oct '20) | 11 | 2,325 | |
| Michéal Leahy | 15 | 3,183 | |
| Donal McCarthy | 14 | 3,045 | Investment Committee (until Oct '20) |
| Donie O'Donovan | 19 | 3,924 | Audit Committee |
| Michael John O'Donovan | 20 | 4,375 | Remuneration Committee |
| Jerome O'Mahony | 25 | 5,484 | Audit Committee & Remuneration Committee |
| John O'Mahony | 15 | 3,241 | |
| TJ Sullivan | 24 | 6,867 | Investment Committee & Remuneration Committee |
| Derry Scannell | 15 | 3,238 | |
| | | 50,544 | |

### Key management personnel compensation

Board members as listed above and senior employees who have authority and responsibility for planning, directing and controlling the activities of the Society are considered to be key management personnel. Total remuneration in respect of key management personnel in 2020 amounted to €914,363 (2019: €858,220).

## 31 Events after the reporting date

The directors note that the Covid-19 outbreak continues to impact the world economy and potentially the operations of the group. At this time it is not possible to determine the eventual impact of the Covid-19 outbreak but the Society will continue to manage the constraints and customer disruptions to the best of its ability and take all necessary steps to protect the health and well being of the workforce.

## 32 Contingent liabilities

Drinagh Co-operative GmbH, which owned the investment property referenced in note 15 above, was sold in December 2020 and this sale has been accounted for in the Financial Statements of Drinagh Co- operative Ltd based on the agreed selling price. The contract for sale includes a clause stating that the final selling price would be established based on a final Balance Sheet of the Company, as at the closing date of sale. This Balance Sheet would be prepared subsequent to closing and would then subsequently be subject to agreement as between the two parties. The resultant agreed Balance Sheet may require either party to pay over a final sum to the other party. At the date of signing of these Financial Statements, the final Balance Sheet of Drinagh Co-operative GmbH has not been agreed as between both parties.

## 33 Analysis of changes in net funds/(debt)

| | 1 January 2020 € | Cash flows € | 31 December 2020 € |
|---|---|---|---|
| Cash at bank and in hand | 3,021,029 | 10,045,403 | 13,066,432 |
| Bank overdrafts | (30,970) | (228,164) | (259,134) |
| | 2,990,059 | 9,817,239 | 12,807,298 |
| Borrowings excluding overdrafts | (6,890,000) | 6,890,000 | - |
| Obligations under finance leases | (1,307,200) | 331,143 | (976,057) |
| | (5,207,141) | 17,038,382 | 11,831,241 |

## 34 Approval of financial statements

The Board of Directors approved the financial statements on the 23 April 2021.

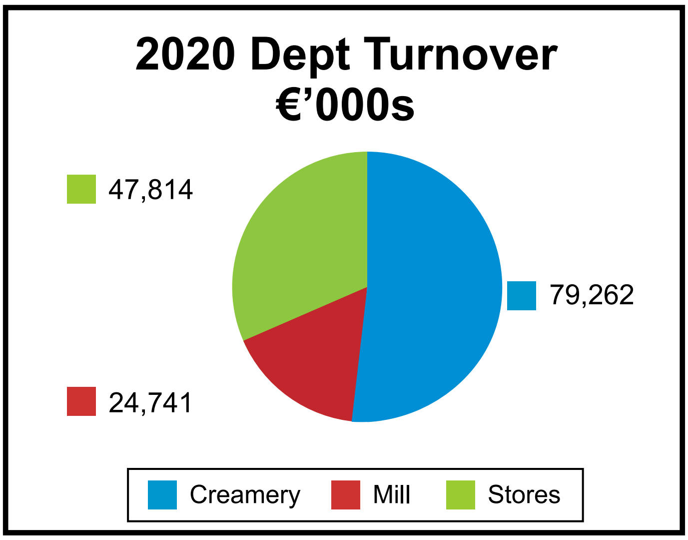
# APPENDICES

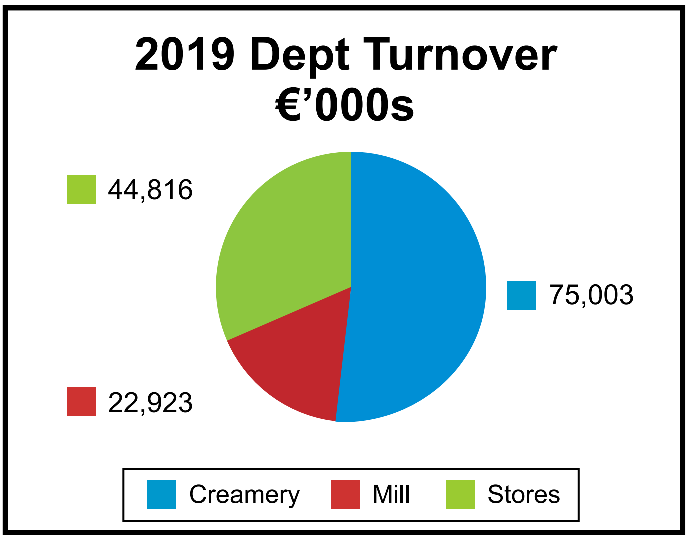
| | PAGES |
|---|---|

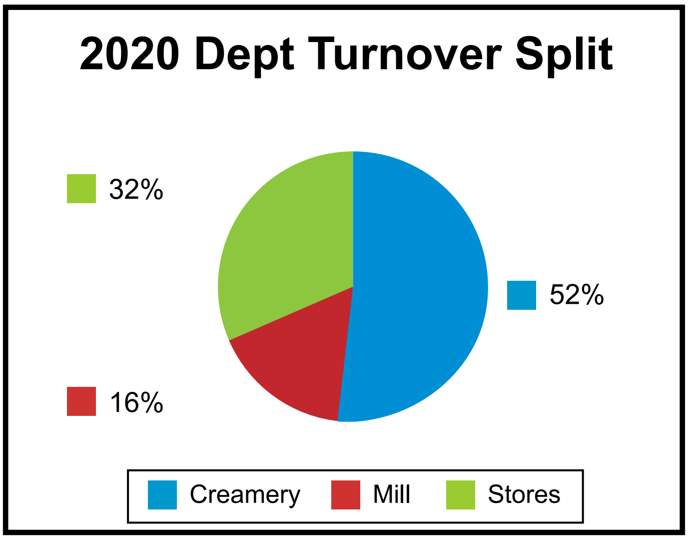

**Appendix I**

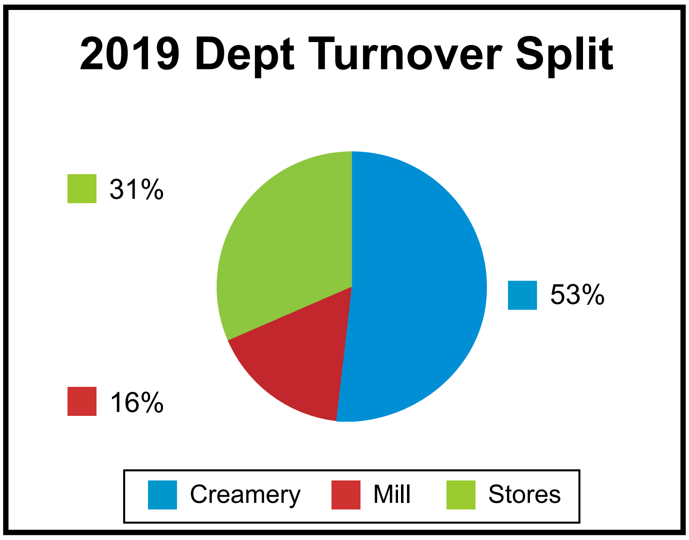
**Group Turnover**

| | 2020 | 2019 |
|---|---|---|
| | € | € |
| Creamery | 79,261,700 | 75,002,978 |
| Mill | 24,741,329 | 22,922,725 |
| Stores | 47,813,596 | 44,816,060 |
| Other Turnover | 17,751 | 16,061 |
| | 151,834,376 | 142,757,824 |

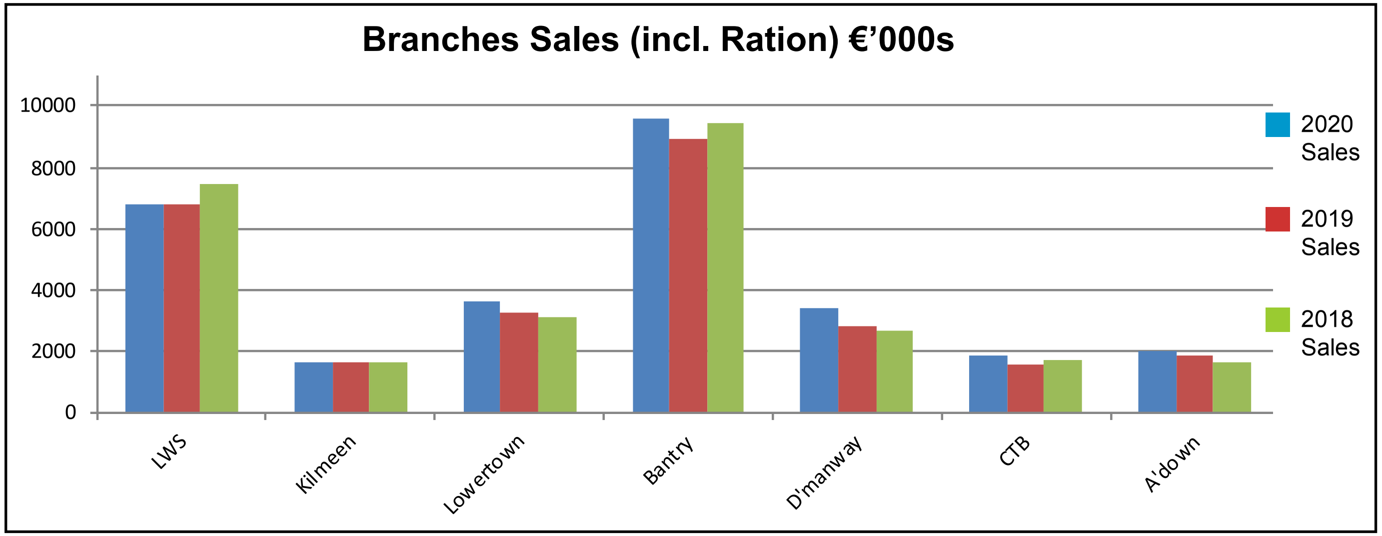


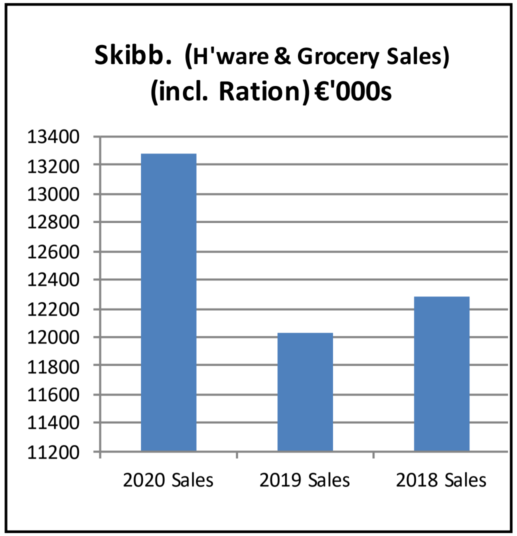



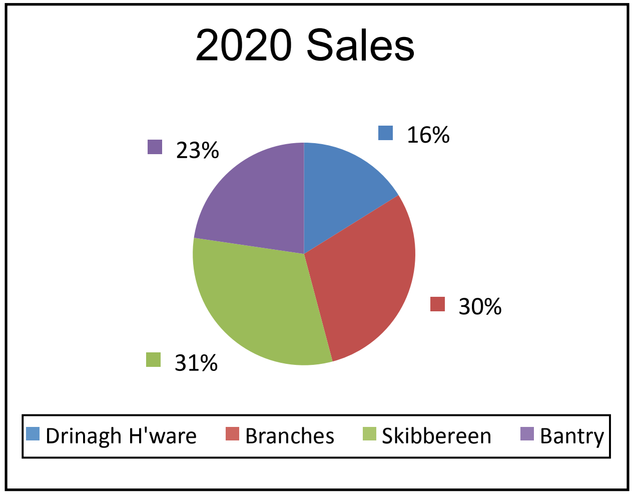



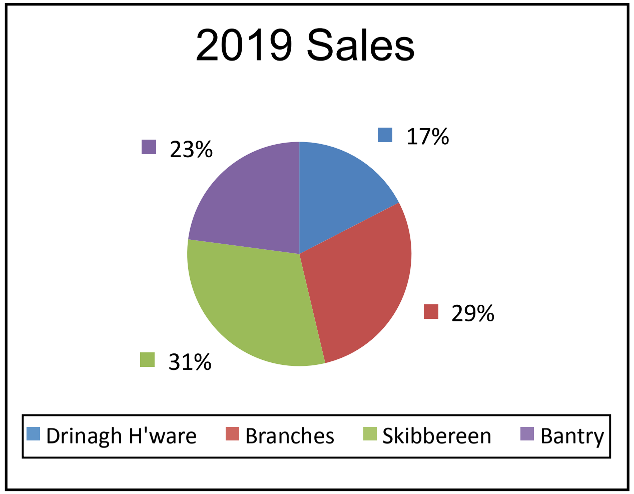



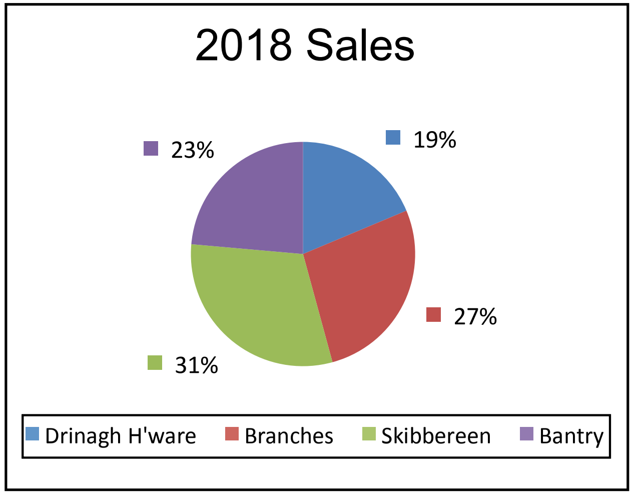
**Appendix I contd/....** **Group Turnover - Branch Sales (incl. Ration)**



**Appendix II**

**Operating Costs Analysis**

| | 2020 | 2019 |
|---|---|---|
| | € | € |
| Production Costs | | |
| Packaging | 167,935 | 142,675 |
| Fuel & Oil | 92,368 | 74,801 |
| Electricity | 486,466 | 497,083 |
| Laboratory Expenses | 16,553 | 12,821 |
| Cleaning, Protective Clothing & Pest Control | 212,557 | 168,298 |
| Maintenance, Repairs & Parts | 628,495 | 646,659 |
| | 1,604,374 | 1,542,337 |
| Administrative Overhead | | |
| Rent, Rates & Insurance | 396,870 | 514,982 |
| Advertising, Printing & Stationery | 162,618 | 187,795 |
| Computer Services | 221,411 | 224,495 |
| Postage & Telephone | 116,047 | 111,379 |
| Audit, Legal & Consultancy | 241,897 | 253,126 |
| Committee Expenses | 51,104 | 61,223 |
| Sundries | 48,414 | 60,685 |
| Subscriptions | 122,619 | 123,064 |
| Provision for Bad Debts | - | - |
| | 1,360,980 | 1,536,749 |

**Appendix III** **Operating Profit + Share of Operating Results of Associate & Joint Venture**

| | 2020 | | | | | | 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Drinagh Co-Operative Ltd. € | Carbery € | Drinlis Properties € | Shinagh Estates € | German Subsidiary € | Total € | Drinagh Co-Operative Ltd. € | Carbery € | Drinlis Properties € | Shinagh Estates € | German Subsidiary € | Total € |
| Operating Results | 2,587,488 | 8,357,753 | 68,189 | 86,471 | (286,381) | 10,813,520 | 2,916,899 | 8,367,793 | 93,189 | 70,428 | (235,679) | 11,212,630 |

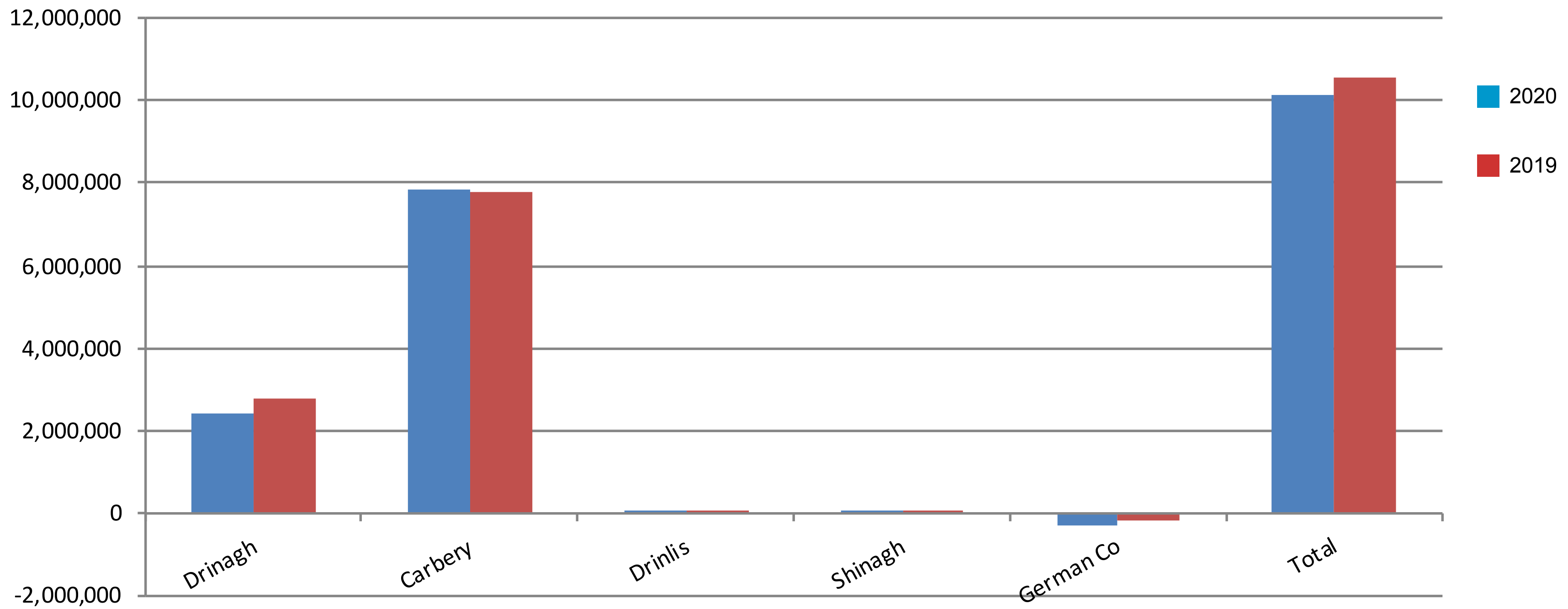
**Appendix IV** **Investment & Other Income**

| | 2020 | | | | | | 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Drinagh Co-Operative Ltd. € | Carbery € | Drinlis Properties € | Shinagh Estates € | German Subsidiary € | Total € | Drinagh Co-Operative Ltd. € | Carbery € | Drinlis Properties € | Shinagh Estates € | German Subsidiary € | Total € |
| Income/(Losses) from Investments | 777,592 | 7,880 | - | - | (1,031,247) | (245,775) | 396,599 | 70,205 | - | - | 2,447,843 | 2,914,647 |
| Fair Value Adjustment | 344,391 | - | - | - | - | 344,391 | 158,891 | - | - | - | - | 158,891 |
| Other Income | 65,487 | - | - | - | - | 65,487 | 90,479 | - | - | - | - | 90,479 |
| Rental Income | 42,939 | - | - | - | 355,172 | 398,111 | 58,527 | - | - | - | 404,491 | 463,018 |
| Other Finance Income | - | 4,454 | - | - | - | 4,454 | - | 6,849 | - | - | - | 6,849 |
| | 1,230,409 | 12,334 | - | - | (676,075) | 566,668 | 704,496 | 77,054 | - | - | 2,852,334 | 3,633,884 |

## Appendix V — Interest Payable & Similar Charges

| | 2020 | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Drinagh Co-Operative Ltd. | Carbery | Drinlis Properties | German Subsidiary | Total | Drinagh Co-Operative Ltd. | Carbery | Drinlis Properties | German Subsidiary | Total |
| | € | € | € | € | € | € | € | € | € | € |
| Bank Interest & Charges | 144,038 | 538,226 | - | 340,872 | 1,023,136 | 150,388 | 572,602 | - | 343,710 | 1,066,700 |

## Appendix VI — Operating Profit/(Loss) less Interest Payable & Similar Charges



**Appendix VII** **Movement in Profit & Loss Account**

| | 2020 | | | | | | 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Drinagh Co-Operative Ltd. € | Carbery € | Drinlis Properties € | Shinagh Estates € | German Subsidiary € | Total € | Drinagh Co-Operative Ltd. € | Carbery € | Drinlis Properties € | Shinagh Estates € | German Subsidiary € | Total € |
| Operating Results (App III) | 2,587,488 | 8,357,753 | 68,189 | 86,471 | (286,381) | 10,813,520 | 2,916,899 | 8,367,793 | 93,189 | 70,428 | (235,679) | 11,212,630 |
| Investment & Other Income (App IV) | 1,230,409 | 12,334 | - | - | (676,075) | 566,668 | 704,496 | 77,054 | - | - | 2,852,334 | 3,633,884 |
| Interest Payable & Similar Charges (App VI) | (144,038) | (538,226) | - | - | (340,872) | (1,023,136) | (150,388) | (572,602) | - | - | (343,710) | (1,066,700) |
| Taxation | (215,422) | (2,001,475) | (17,048) | (14,018) | - | (2,247,963) | (1,125,208) | (1,908,215) | (16,443) | (9,486) | - | (3,059,352) |
| Profit for the financial year | 3,458,437 | 5,830,386 | 51,141 | 72,453 | (1,303,328) | 8,109,089 | 2,345,799 | 5,964,030 | 76,746 | 60,942 | 2,272,945 | 10,720,462 |
| Dividends | (62,703) | (47,622) | - | - | - | (110,325) | (62,362) | (181,849) | - | - | - | (244,211) |
| Retained Profit for the Year | 3,395,734 | 5,782,764 | 51,141 | 72,453 | (1,303,328) | 7,998,764 | 2,283,437 | 5,782,181 | 76,746 | 60,942 | 2,272,945 | 10,476,251 |
| Remeasurement Gain/ (Loss) in Respect of Defined Benefit Pension Scheme | - | (124,707) | - | - | - | (124,707) | - | (124,657) | - | - | - | (124,657) |
| Fair Value Investment Reserve Movement | 1,174,001 | - | - | - | - | 1,174,001 | 389,177 | - | - | - | - | 389,177 |
| Redemption Reserve Movement | (150,000) | (15,408) | - | - | - | (165,408) | - | 29,889 | - | - | - | 29,889 |
| Issue of Bonus Shares | (69,999) | - | - | - | - | (69,999) | (74,338) | - | - | - | - | (74,338) |
| Movement in Profit & Loss Account | 4,349,736 | 5,642,649 | 51,141 | 72,453 | (1,303,328) | 8,812,651 | 2,598,276 | 5,687,413 | 76,746 | 60,942 | 2,272,945 | 10,696,322 |

**Appendix VIII** **Annual Comparatives**

| | | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| Financial | | | | | | |
| Turnover | €'000 | 151,834 | 142,758 | 148,448 | 134,988 | 109,726 |
| Consolidated Profit for the Year after Tax | €'000 | 8,109 | 10,720 | 5,781 | 9,955 | 7,433 |
| Shareholders Funds | €'000 | 153,485 | 149,344 | 137,803 | 130,864 | 124,652 |
| Statistical | | | | | | |
| Number of Milk Suppliers | No. | 536 | 540 | 555 | 566 | 586 |
| Milk Intake | Litres (Mill.) | 213.7 | 204.9 | 197.9 | 186.5 | 171.7 |
| Average Butterfat | % | 4.2 | 4.13 | 4.14 | 4.07 | 4.11 |
| Average Protein | % | 3.52 | 3.55 | 3.50 | 3.50 | 3.48 |

# NOTES

# NOTES