

## MEMBERS OF BOARD OF DIRECTORS AS AT 31<sup>st</sup> DECEMBER 2025

Drinagh:

Derry Connolly <sup>3</sup>

Donal O'Connor <sup>2</sup>

South West:

Bryan Holmes

Peadar O'Driscoll <sup>1</sup>

South:

Marguerite Crowley

Jerry O'Neill <sup>1,3</sup>

North:

Sean Hayes <sup>2</sup>

James O'Donovan

East:

John Hurley <sup>2,3</sup>

Flor McCarthy

West:

Mary Hayes <sup>2</sup>

Finn O'Mahony <sup>1</sup>

Castletownbere:

Peter Kelly

<sup>1</sup> Member of Audit Committee

<sup>2</sup> Member of Investment Committee

<sup>3</sup> Member of Remuneration Committee

## OTHER INFORMATION

Chairman:

John Hurley

Vice-Chairman:

Jerry O'Neill

Chief Executive and Secretary:

Seamus Daly

Society number:

1723R

Bankers:

Allied Irish Banks Plc,  
Dunmanway Branch, Co. Cork

Registered Office:

Drinagh, Co. Cork

Auditor:

Xeinadin Audit Ireland Limited  
Chartered Accountants  
& Registered Auditors  
Clonakilty, Co. Cork  
P85VF62

Solicitors:

Murphy, Long & Taaffe,  
Bandon  
Co. Cork

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It is my honour as Chairman to report to you on a very successful year for the Society. After a solid trading performance which was aided by favourable weather and strong milk prices, profits were up in all departments. Overall turnover has increased by 6.1%, with operating profit (before trade bonuses) up 12.8%.

In addition to trade bonuses in line with previous years, the Board was pleased to announce the introduction of a market support provision designed to assist suppliers and customers during periods of adverse market conditions. This brings the total trade bonus and market support package to €4.5 million, representing a 26% increase on the 2024 Drinagh total.

The dairy markets, after a strong start to 2025, weakened dramatically in the second half of the year. An over supply of milk in the major milk producing regions of the world had a negative effect on dairy markets. However, the fundamentals for dairy remain solid in the medium term. Recognising the challenges facing milk suppliers this spring, the Board announced a dairy support package to assist farmers by offering rebates on dairy feed, fertilizer and milk replacer.

Conflict in the Middle East has underscored the increasing volatility of the global environment, with fuel and energy costs rising sharply and supply chains becoming significantly disrupted. In addition, the conflict has also had a negative impact on the fertilizer market, where prices have climbed due to higher production and transport costs. The introduction of the Carbon Border Adjustment Mechanism (CBAM) has further added to market uncertainty and intensified price pressures.

#### 2025 Financial Performance:

Creamery turnover was up 8.1% driven by volume and price. Mill turnover was marginally lower with volumes almost the same as the previous year. Fertilizer turnover was up 16.8% with volumes up 6.5%; all other turnover in the stores was up 6.3%. The pharmacy division reports a 6.3% increase in turnover.

Carbery has reported strong results. The Nutrition Division continues to grow in all segments while the Taste Division performance was strong with continued expansion. Group turnover was up 8.2% on 2024 while operating profit was lower by 3.8%. Carbery was able to increase the stability fund by €3M bringing the balance available to support milk price as necessary to €11.6M. In November, large numbers of milk suppliers took the opportunity to hear firsthand of Carbery's performance and plans through its roadshow events.

Our investment portfolio contributed to 2025 group profit with equity markets again delivering positive returns. Drinlis has seen growth in its short term and long-term workspace rentals reflected in encouraging results for 2025 and an increase in the value of the property. Shinagh Estates reported a 12.3% increase in turnover and a 32.7% increase in operating profit on 2024.

#### Creamery:

Milk supply increased by 2.3% (4.7 million litres) to just over 215.4 million litres, driven largely by a favourable spring and stronger output in the first half of the year. Notably, 2025 marks the first year since 2021 in which annual milk supply exceeded that of the previous year.

The FutureProof Sustainability Bonus payment increased from 1.0 cent per litre to 1.25 cents per litre, following the introduction of a liming measure. As a result, total payments to Drinagh suppliers under the programme reached €2.11 million or 0.98 cents on average per litre.

The Nitrates Derogation, which is critical to the commercial sustainability of our grass-based production system, was renewed for a further three years in December. A key determinant for the sector will be water quality in the years ahead. Encouragingly, there has been strong engagement among Drinagh suppliers in the Farming for

Water EIP, with over 40% participating in the scheme, which provides funding in areas requiring water quality improvements.

The Carbery survey identified farm succession as a key priority for the coming years. In response, a number of events were held throughout the year to support this focus, including the Gurteen Open Day, a farm structures workshop in Dunmanway, and a succession and collaborative farming information day at Drinagh Central. This area will require continued attention to ensure that members remain well informed about the opportunities available.

The Society extends its congratulations to Donal O'Donoghue, Maulathrane, Leap, who was the Drinagh winner at the Carbery Milk Quality and Sustainability Awards. Congratulations are also extended to Michael and Anne Duggan, Ballyboy, Dunmanway, who were finalists in the NDC and Kerrygold Quality Milk Awards during the year. The Board approved a year-end bonus of 1.0 cent per litre on 2025 milk supplies. The average price paid for 2025 milk supplies was 56.04 cent per litre, after levies and charges and including VAT (53.50 cents per litre in 2024).

**Stores:**

The Stores division had a very strong trading year. Major redevelopment projects were carried out in the Skibbereen Hardware, Bantry Farm Centre and Dunmanway Hardware stores. Aughadown store was also upgraded. These investments position our stores well for the future. A rebate of €15 per tonne on fertilizer was approved at year end.

**Mill:**

Mill throughput was just under 99,000 tonnes for the year under review. Prices remained relatively stable throughout the year. The Board approved capital expenditure to construct a new storage shed and workshop for the mill. This project will be completed in mid-2026. Feed rebates similar to last year were approved at year end.

**Pharmacies:**

Our pharmacy business had a very satisfactory year with turnover increasing in all locations. A major expansion and refurbishment took place in our Skibbereen pharmacy. I wish to acknowledge the part played by our staff which facilitated the continuation of trade and service to our customers while the renovation was completed. The increased shop floor area in conjunction with robotic dispensary system leaves us well placed to meet the future needs of our customers.

Finally, I want to thank all those who contributed to the success of the Society in 2025. A special word of thanks to my fellow Board members for their support throughout the year. Thanks to the staff and management whose dedication helps the Society to continue to grow and prosper.

Thanks also to our loyal customers, milk suppliers and shareholders for their continued patronage and loyalty. After a very successful 2025, the early months of 2026 have brought uncertainty and difficulties. However the Co-Op is well placed to meet these challenges, and we look forward to the future with confidence.

John Hurley  
Chairman.

**Drinagh Co-Operative Limited**  
**Directors Responsibilities Statement**  
**For the Year Ended 31 December 2025**

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

The Industrial & Provident Societies Acts 1893 to 2021 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and surplus or deficit of the Society and which enables it to ensure that the financial statements are prepared in accordance with Irish Generally Accepted Accounting Practice and with the Industrial & Provident Societies Acts 1893 to 2021. It is also responsible for such internal controls as it determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for preparing the annual report that complies with the requirements of the Industrial & Provident Societies Acts 1893 to 2021.

Signed on behalf of the Board of Directors on 24th April 2026:

John Hurley  
Chairman

Jerry O'Neill  
Vice Chairman

### **Opinion**

We have audited the financial statements of Drinagh Co-Operative Limited (the 'Society') for the year ended 31 December 2025 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 2025 and of its profit for the year ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of 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 2021**

As required by section 13(2) of the Industrial and Provident Societies Act 1893 to 2021 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 Irish Auditing and Accounting Supervisory Authority's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

#### **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 2021. 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 Xeinadin Audit Ireland Limited**

#### **Chartered Accountants and Statutory Audit Firm**

Building G  
West Cork Technology Park  
Clonakilty  
Co Cork

24 April 2026

**Drinagh Co-Operative Limited**  
**Consolidated Income Statement For the Year Ended 31 December 2025**

	Notes	2025 €	2024 €
Turnover	5	215,510,082	203,213,352
Cost of sales		(185,710,945)	(174,340,964)
<b>Gross profit</b>		<u>29,799,137</u>	<u>28,872,388</u>
Production costs		(2,628,793)	(2,393,980)
Trade bonus and market support	6	(4,519,458)	(4,514,434)
Wages and salaries	7	(13,734,392)	(12,974,107)
Other operating costs	8	(5,707,883)	(5,714,465)
<b>Operating profit</b>	9	<u>3,208,611</u>	<u>3,275,402</u>
Share of operating results of associate and joint venture		8,288,611	8,629,807
Investment and other income	10	1,491,138	1,732,852
Interest payable and similar expenses	11	(1,036,407)	(1,372,050)
<b>Profit on ordinary activities before tax</b>		<u>11,951,953</u>	<u>12,266,011</u>
Tax on profit on ordinary activities	12	(2,850,924)	(3,233,674)
<b>Profit for the financial year</b>		<u><u>9,101,029</u></u>	<u><u>9,032,337</u></u>

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 24th April 2026:

John Hurley  
**Chairman**

Jerry O'Neill  
**Vice Chairman**

**Drinagh Co-Operative Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the Year Ended 31 December 2025**

	2025 €	2024 €
<b>Consolidated profit for the financial year</b>	9,101,029	9,032,337
<b>Other comprehensive income</b>		
Share of remeasurement loss recognised on defined benefit schemes of associate	(298,631)	(121,704)
Share of movement on deferred tax relating to defined benefit schemes of associate	34,314	11,623
Redemption reserve movement of associate	57,948	(175,458)
Share of gain / (loss) of hedge instrument of associate	149,485	(124,439)
Share of currency translation differences on net assets of foreign investments of associate	(7,874,483)	3,167,391
<b>Total comprehensive income for the financial year</b>	<u>1,169,662</u>	<u>11,789,750</u>



**Drinagh Co-Operative Limited**  
**Consolidated Statement of Changes in Equity**  
**For the Year Ended 31 December 2025**

	Share Capital €	Capital Reserve (Note 23) €	Redemption Reserve (Note 23) €	Profit and Loss Account Reserve €	Fair Value Investment Reserve (Note 23) €	Total Equity €
<b>Balance at 1 January 2024</b>	8,529,978	29,446,781	286	144,097,463	1,156,406	183,230,914
Profit for the year	-	-	-	9,032,337	-	9,032,337
Other comprehensive income	-	3,042,952	-	(285,539)	-	2,757,413
Total comprehensive income for the year	-	3,042,952	-	8,746,798	-	11,789,750
Transfer to fair value investment reserve	-	-	-	(21,584)	21,584	-
Transfer from/(to) Profit & Loss Account	-	-	250,000	(250,000)	-	-
Issue of bonus shares	195,926	-	(114,816)	(81,110)	-	-
Dividends & share interest paid (note 13)	-	-	-	(388,859)	-	(388,859)
Shares subscribed for in the year	6,300	-	-	-	-	6,300
Shares cancelled during the year	(315,013)	-	-	-	-	(315,013)
<b>Balance at 31 December 2024</b>	8,417,191	32,489,733	135,470	152,102,708	1,177,990	194,323,092
Profit for the year	-	-	-	9,101,029	-	9,101,029
Other comprehensive income	-	(7,724,998)	-	(206,369)	-	(7,931,367)
Total comprehensive income for the year	-	(7,724,998)	-	8,894,660	-	1,169,662
Transfer to fair value investment reserve	-	-	-	(9,083)	9,083	-
Transfer from/(to) Profit & Loss Account	-	-	-	-	-	-
Issue of bonus shares	148,749	-	(66,387)	(82,362)	-	-
Dividends & share interest paid (note 13)	-	-	-	(386,749)	-	(386,749)
Shares subscribed for in the year	16,200	-	-	-	-	16,200
Shares cancelled during the year	(221,522)	-	-	-	-	(221,522)
<b>Balance at 31 December 2025</b>	8,360,618	24,764,735	69,083	160,519,174	1,187,073	194,900,683

**Drinagh Co-Operative Limited**  
**Consolidated Statement of Financial Position**  
**as at 31 December 2025**

	Notes	2025		2024	
		€	€	€	€
<b>Fixed assets</b>					
Intangible assets	14		1,866,055		2,387,780
Tangible assets	15		17,619,360		15,160,585
Financial assets	16		137,149,354		137,457,941
			<u>156,634,769</u>		<u>155,006,306</u>
<b>Current assets</b>					
Stocks	17	13,117,870		11,950,932	
Debtors	18	35,340,864		37,539,700	
Cash at bank and in hand		11,010,469		8,422,939	
		<u>59,469,203</u>		<u>57,913,571</u>	
<b>Creditors: amounts falling due within one year</b>	19	(19,655,144)		(18,016,588)	
Net current assets			<u>39,814,059</u>		<u>39,896,983</u>
<b>Total assets less current liabilities</b>			<u>196,448,828</u>		<u>194,903,289</u>
<b>Provisions for liabilities</b>	20		(1,548,145)		(580,197)
<b>Net assets</b>			<u>194,900,683</u>		<u>194,323,092</u>
<b>Capital and reserves</b>					
Called up share capital	21		8,360,618		8,417,191
Other reserves	23		26,020,891		33,803,193
Profit and loss reserves			160,519,174		152,102,708
<b>Total equity</b>			<u>194,900,683</u>		<u>194,323,092</u>

Signed on behalf of the Board of Directors on 24th April 2026:

John Hurley  
**Chairman**

Jerry O'Neill  
**Vice Chairman**



**Drinagh Co-Operative Limited**  
**Consolidated Statement of Cash Flows For the Year Ended 31 December 2025**

	Notes	2025		2024	
		€	€	€	€
<b>Net cash flows from operating activities</b>	<b>24</b>		8,931,532		13,676,466
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		(4,805,508)		(2,984,546)	
Purchase of investments		(5,055,244)		(15,395,647)	
Proceeds of sale of investments		2,926,037		4,268,409	
Proceeds of sale of fixed assets		331,011		65,569	
Investment income		797,294		859,024	
Taxation paid	<b>25</b>	(117,427)		(246,407)	
Rental and other income		78,207		116,862	
<b>Net cash flows from investing activities</b>			(5,845,630)		(13,316,736)
<b>Cash flows from financing activities</b>					
Redemption of ordinary shares		(221,522)		(315,013)	
Issue of ordinary shares		16,200		6,300	
Repayment of borrowings		(71,213)		(185,518)	
Interest paid		(138,136)		(143,041)	
Equity dividend paid		(83,701)		(84,256)	
<b>Net cash flows from financing activities</b>			(498,372)		(721,528)
<b>Net increase/(decrease) in cash and cash equivalents</b>			2,587,530		(361,798)
Cash and cash equivalents at beginning of year			8,422,939		8,784,737
<b>Cash and cash equivalents at end of year</b>	<b>26</b>		11,010,469		8,422,939

## **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 31 constitute the Consolidated Financial Statements of Drinagh Co-operative Limited for the financial year ended 31 December 2025.

Drinagh Co-operative Limited is a Society registered in the Republic of Ireland under the Industrial and Provident Societies Acts 1893 to 2021. 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 2025 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 2025, if necessary, changes to the comparative 2024 figures would be made in order to maintain consistency with the nature of the figures being reported for 2025.

## **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 Principal accounting policies**

**(Continued)**

**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.

**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, fixtures & fittings	10% to 25%
Transport vehicles	25%



### **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.

#### **3.6 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 Principal accounting policies

(Continued)

#### 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 Consolidated 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.

##### **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.

**3 Principal accounting policies**

**(Continued)**

***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.

***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.

**3 Principal accounting policies**

**(Continued)**

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 scheme 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 Consolidated Statement of Financial Position 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 the defined contribution scheme 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 provide 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:

	Average		Year End	
	2025	2024	2025	2024
€1 to STG £	0.85679	0.84662	0.87260	0.82918
€1 to USD \$	1.13000	1.08240	1.17500	1.03890
€1 to CAD \$	1.57870	1.48210	1.60880	1.49480
€1 to NOK kr	11.71835	11.62900	11.84300	11.79500
€1 to CHF fr	0.93700	0.95260	0.93140	0.94120

**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.

**5 Turnover and other revenue**

All revenue activities were wholly undertaken in the Republic of Ireland.

	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
<b>Turnover analysed by class of business</b>		
Creamery	118,198,709	110,277,100
Mill	35,426,854	35,718,694
Stores	61,853,270	57,188,333
Other	31,249	29,225
	<hr/>	<hr/>
	215,510,082	203,213,352
	<hr/> <hr/>	<hr/> <hr/>

**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

**6 Trade bonus and market support**

	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Milk bonus	2,109,898	2,961,169
Mill bonus	873,999	1,183,575
Stores bonus	435,561	369,690
Market support (note 20)	1,100,000	-
	<u>4,519,458</u>	<u>4,514,434</u>

The milk bonus represents the following: 1.00 cent per litre on milk supplied in the calendar year 2025 where purchases from the Society were greater than 10 cent per litre; 0.50 cent per litre where purchases were less than 10 cent per litre and greater than 8 cent per litre; no bonus applied where purchases were less than 8 cent per litre; (2024: 1.00 cent per litre on milk supplied in the calendar year 2024 where purchases from the Society were greater than 10 cent per litre; 0.50 cent per litre where purchases were less than 10 cent per litre and greater than 8 cent per litre; no bonus applied where purchases were less than 8 cent per litre, plus 5.00 cent per litre paid in April 2024 on all milk supplied in March.)

The mill bonus represents €12.00 per tonne on compounded ruminant feed for 2025 (2024: €12.00), €7.00 per tonne on mixes (2024: €7.00), €5.00 per tonne on pig feed (2024: €5.00), and €2.00 per tonne on feed straights (2024: €2.00).

The stores bonus represents €15.00 per tonne on fertilizer purchases in 2025 (2024: €15.00) plus €41,743 of protected urea rebates to non-dairy livestock customers (2024: €65,719) and €59,689 spring dairy promotion rebate (2024: €nil).

The market support represents a new provision to support suppliers and customers in times of adverse market conditions. It is expected the provision is likely to be released within a five year period.

**7 Employees**

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

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Production/Operations	214	213
Sales	3	3
Administration	26	26
	<u>243</u>	<u>242</u>

**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

**7 Employees**

(Continued)

Their aggregate remuneration comprised:

	2025 €	2024 €
Wages and salaries	11,777,966	11,157,135
Social security costs	1,235,470	1,189,994
Pension costs	720,956	626,978
	<u>13,734,392</u>	<u>12,974,107</u>

**8 Other operating costs(profits)**

	2025 €	2024 €
Distribution & selling costs	1,163,324	1,514,346
Administrative overhead	2,007,112	1,553,379
Depreciation	2,196,991	2,176,760
Amortisation of goodwill	521,725	521,725
Profit on sale of tangible fixed assets	(181,269)	(51,745)
	<u>5,707,883</u>	<u>5,714,465</u>

The profit on sale of tangible fixed assets is derived from the trade-in or disposal of vehicles and related equipment plus the sale of West End Bar, Dunmanway.

**9 Operating profit**

	2025 €	2024 €
Operating profit is stated after charging/(crediting)		
Depreciation of owned assets (note 15)	2,187,758	2,055,018
Depreciation of assets held under finance leases (note 15)	9,233	121,742
Amortisation and impairment of intangibles (note 14)	521,725	521,725

**10 Investment and other income**

	<b>2025</b>	<b>2024</b>
	€	€
(Loss) / profit on sale of listed securities	(8,065)	361,808
Fair value adjustment of investments	454,973	522,821
Investment income	767,886	835,143
Book loss on sale of foreign investment property	(23,300)	(28,913)
Profit on disposal of unlisted investments	27,446	-
Rental and other income	78,207	116,862
	<u>1,297,147</u>	<u>1,807,721</u>
<b>Share of associate</b>		
Investment income	225,927	216,401
Other finance income	(31,936)	(291,270)
	<u>193,991</u>	<u>(74,869)</u>
	<u>1,491,138</u>	<u>1,732,852</u>

**11 Interest payable and similar expenses**

	<b>2025</b>	<b>2024</b>
	€	€
Interest payable - Society & subsidiaries	138,136	143,041
<b>Share of associates and joint venture</b>		
Interest payable	898,271	1,229,009
	<u>1,036,407</u>	<u>1,372,050</u>

**12 Taxation**

	<b>2025</b>	<b>2024</b>
	€	€
<b>Domestic current year tax</b>		
Corporation tax on profits for the year	772,143	872,385
Adjustments in respect of prior years	1,476	(12,577)
	<u>773,619</u>	<u>859,808</u>
Total current tax	773,619	859,808
Deferred tax	(132,052)	10,616
	<u>641,567</u>	<u>870,424</u>
Domestic tax on profits on ordinary activities	641,567	870,424
Share of tax of associate companies	2,209,357	2,363,250
	<u>2,850,924</u>	<u>3,233,674</u>
Amount charged to the Consolidated Income Statement	<u>2,850,924</u>	<u>3,233,674</u>

**12 Taxation**

(Continued)

**Factors affecting the tax charge for the year:**

	<b>2025</b>	<b>2024</b>
	€	€
Profit on ordinary activities before taxation	11,951,953	12,266,011
Less share of profit in associates and joint ventures	(7,584,331)	(7,325,929)
	<hr/>	<hr/>
Profit on ordinary activities before taxation (excluding profits from associates and joint venture)	4,367,622	4,940,082
Standard tax rate	12.50%	12.50%
Expected tax	545,953	617,510
Actual tax charge	641,567	870,424
	<hr/>	<hr/>
Difference	95,614	252,914
	<hr/> <hr/>	<hr/> <hr/>

**Effects of:**

Tax rate difference on revalued assets	7,193	147,039
Other tax adjustments	(4,344)	(2,409)
Prior year adjustment	1,476	(12,577)
Depreciation in excess of capital allowances	48,112	83,353
Tax rate difference on passive income	22,728	16,120
Franked investment income not taxed	(43,179)	(43,179)
Disallowable expenses	63,628	64,567
	<hr/>	<hr/>
	95,614	252,914
	<hr/> <hr/>	<hr/> <hr/>

**13 Dividends and share interest paid**

	<b>2025</b>	<b>2024</b>
	€	€
Dividend of one cent per share on shares issued as at 31 December 2024 (2024: one cent per share on shares issued as at 31 December 2023)	83,701	84,256
<b>Share of associate</b>		
5% annual coupon on 'B' ordinary shares	303,048	304,603
	<hr/>	<hr/>
	386,749	388,859
	<hr/> <hr/>	<hr/> <hr/>

**14 Intangible assets**

	<b>Goodwill</b> <b>€</b>
<b>Cost</b>	
At 1 January 2025 & 31 December 2025	6,692,445
<b>Amortisation</b>	
At 1 January 2025	4,304,665
Amortisation charged for the year	521,725
At 31 December 2025	4,826,390
<b>Carrying amount</b>	
At 31 December 2025	1,866,055
At 31 December 2024	2,387,780

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 6.3 years.

Goodwill arose on the acquisition of James O'Sullivan (Chemist) Ltd in 2016 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 0.7 years.

Goodwill arose on the acquisition of McCarthy's Pharmacy (Schull) Ltd in 2017 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 1.7 years.

Goodwill arose on the acquisition of the business of Scannell's Pharmacy Ballineen in 2023 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 7.66 years.



**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

**15 Tangible fixed assets**

	Freehold land and buildings €	Plant and equipment, fixtures & fittings €	Transport vehicles €	Total €
<b>Cost</b>				
At 1 January 2025	18,339,993	21,463,764	8,094,243	47,898,000
Additions	1,950,096	1,720,272	1,135,140	4,805,508
Disposals	(476,152)	-	(277,387)	(753,539)
At 31 December 2025	<u>19,813,937</u>	<u>23,184,036</u>	<u>8,951,996</u>	<u>51,949,969</u>
<b>Depreciation and impairment</b>				
At 1 January 2025	8,555,788	17,680,895	6,500,732	32,737,415
Profit and loss charge	345,243	1,049,519	802,229	2,196,991
Disposals	(329,378)	-	(274,419)	(603,797)
At 31 December 2025	<u>8,571,653</u>	<u>18,730,414</u>	<u>7,028,542</u>	<u>34,330,609</u>
<b>Carrying amount</b>				
At 31 December 2025	<u>11,242,284</u>	<u>4,453,622</u>	<u>1,923,454</u>	<u>17,619,360</u>
At 31 December 2024	<u>9,784,205</u>	<u>3,782,869</u>	<u>1,593,511</u>	<u>15,160,585</u>

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

	<b>Leased Assets</b> €
<b>Cost</b>	
At 1 January 2025	4,359,816
Additions	-
Disposals	(268,013)
At 31 December 2025	<u>4,091,803</u>
<b>Depreciation and impairment</b>	
At 1 January 2025	4,350,583
Profit and loss charge	9,233
Disposals	(268,013)
At 31 December 2025	<u>4,091,803</u>
<b>Carrying amount</b>	
At 31 December 2025	<u>-</u>
At 31 December 2024	<u>9,233</u>

**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

**15 Tangible fixed assets**

**(Continued)**

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

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.

**16 Financial assets**

	Notes	2025 €	2024 €
<b>Investment in associated undertaking</b>			
At cost	(a)	6,993,721	6,993,721
Group share of post acquisition net assets		108,122,090	110,962,348
		115,115,811	117,956,069
<b>Investment in joint venture undertaking</b>			
At cost	(b)	50	50
Group share of post acquisition net assets		(221,846)	(202,663)
Loan to joint venture		913,285	858,285
		691,489	655,672
<b>Other financial investments</b>			
Listed securities	(c)	20,816,786	18,346,040
Unlisted securities		525,268	500,160
		21,342,054	18,846,200
		137,149,354	137,457,941

**(a) Investment in associated undertaking**

The investment in the associated undertaking comprises a 33.97% (2024: 34.19%) interest in Carbery Creameries Limited, which is engaged in the development, management and supply of cheeses, alcohol and select food ingredients plus 40% (2024: 40%) in Shinagh Estates Limited, which is a holding investment company. During 2025 Carbery's 'B' Ordinary Shares increased by 2,706,712 thereby decreasing the shareholding % of Drinagh Co-operative Limited. This followed the sub-division of all existing 'B' shares from €1.00 each to €0.20 each, the converting of all processing notes at the time of the sub-division into 'B' shares and the re-purchase of shares under the terms of the Milk Supply Share Scheme.

**(b) Investment in joint venture undertaking**

The investment in Joint Venture represents a 50% (2024: 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.

**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

**16 Financial assets**

(Continued)

**(c) Other financial investments**

	<b>Listed securities</b>	<b>Unlisted securities</b>
	€	€
<b>Cost or valuation</b>		
At 1 January 2025	18,346,040	500,160
Additions and disposals	2,456,215	25,108
Revaluations	14,531	-
	20,816,786	525,268
<b>Provision for diminution in value</b>		
At 1 January 2025	-	-
Decrease in provision for year	-	-
	-	-
At 31 December 2025	-	-
<b>Carrying value</b>		
At 31 December 2025	20,816,786	525,268
At 31 December 2024	18,346,040	500,160

The listed securities, 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'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 securities is not less than cost.

**(d) Subsidiary companies**

Name	Principal activities	Group interest	Address of registered Office
Drinagh Sales Limited	Dormant	100%	Drinagh, Co. Cork
G.W.B. Trading Limited	Dormant	100%	Drinagh, Co. Cork
James O' Sullivan (Chemist) Limited	Dormant	100%	Drinagh, Co. Cork
McCarthy's Pharmacy (Schull) Limited	Dormant	100%	Drinagh, Co. Cork

**17 Stocks**

	<b>2025</b>	<b>2024</b>
	€	€
Finished goods	11,995,359	10,882,557
Raw materials	631,069	582,709
Expense stocks	491,442	485,666
	13,117,870	11,950,932

**17 Stocks**

**(Continued)**

There is a requirement at year end to review the carrying value or cost of certain stocks and compare this to their estimated selling prices less costs to complete and sell (net realisable value or NRV) to ensure that stocks are valued at the lower of cost or NRV. Where the carrying value is greater than the estimated NRV, the carrying value is written down to this amount with a resultant charge to the Consolidated Income Statement in the year. Should the final selling price less costs to complete exceed the previously estimated NRV then this will have a resultant credit in the Consolidated Income Statement in the subsequent period. The charge to Consolidated Income Statement resulting from a review of cost versus NRV was €nil (2024: €nil).

Stocks considered obsolete are written down to net realisable value.

**18 Debtors**

	<b>2025</b>	<b>2024</b>
	€	€
Trade debtors	11,408,117	10,831,313
Withholding tax	390,101	354,551
Carbery Creameries Limited	22,215,078	24,824,945
Prepayments and accrued income	1,327,568	1,528,891
	<u>35,340,864</u>	<u>37,539,700</u>

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.



**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

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

	<b>2025</b>	<b>2024</b>
	€	€
Lease liability	-	71,213
Trade creditors & accruals	19,217,651	17,495,728
Corporation tax payable	122,136	122,392
Other taxation and social security	315,357	327,255
	<u>19,655,144</u>	<u>18,016,588</u>
Included in other taxation and social security creditors are the following amounts:		
PAYE/PRSI	<u>315,357</u>	<u>327,255</u>

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 €7.1M (2024: €6.2M) 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 effective rate of interest on the leases was 1.31% (2024: 1.37%). 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.

**20 Provisions for liabilities**

	2025 €	2024 €
<b>Market support provision</b>		
At 1 January	-	-
Charged to Consolidated Income Statement (note 6)	1,100,000	-
Utilised in the financial year	-	-
	<u>1,100,000</u>	<u>-</u>
At 31 December	<u>1,100,000</u>	<u>-</u>

The Board has created a provision to support suppliers and customers in times of adverse market conditions. It is expected the provision is likely to be released within a five year period.

	2025 €	2024 €
<b>Deferred Taxation</b>		
At 1 January	580,197	569,581
Charged to Consolidated Income Statement	(132,052)	10,616
Utilised in the financial year	-	-
	<u>448,145</u>	<u>580,197</u>
At 31 December	<u>448,145</u>	<u>580,197</u>
	<u>1,548,145</u>	<u>580,197</u>
Total provisions for liabilities	<u>1,548,145</u>	<u>580,197</u>

**21 Called up share capital**

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

	2025 €	2024 €
At 1 January	8,417,191	8,529,978
Bonus shares issued (see below)	148,749	195,926
Subscribed for during the year	16,200	6,300
Shares cancelled during the year	(221,522)	(315,013)
	<u>8,360,618</u>	<u>8,417,191</u>
At 31 December	<u>8,360,618</u>	<u>8,417,191</u>

The ordinary shares have no right to fixed income.

During the year the Society issued the following bonus shares:

	2025 €	2024 €
Shares issued for redemption bonus	66,387	114,816
Based on trading with the Society for 2024 (2024: for 2023):	82,362	81,110
	<u>148,749</u>	<u>195,926</u>

## **22 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 completed in April 2020 and in February 2015 contributions to 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 (ICSPS) was carried out on 1st January 2023 and the most recent full actuarial valuation of the Dairy Executives Pension Fund (DEPF) was carried out on 31st March 2025. An Actuarial Funding Certificate was prepared separately for each scheme effective on the respective valuation dates confirming the respective schemes satisfied the relevant Pensions Act 1990 funding standard. A Funding Standard Reserve Certificate was also prepared separately for each scheme on the respective valuation dates confirming the respective schemes had sufficient additional assets to satisfy the relevant 1990 Pensions Act funding standard reserve. In the most recent annual funding update for the ICSPS, the Actuary's Statement dated 21st January 2026 confirms that the actuary is reasonably satisfied that that Scheme continued to meet the Funding Standard and the Funding Standard Reserve as at 30th June 2025.

### **Defined Contribution Pension Schemes**

The Society operates a defined contribution pension scheme 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 €593,423 (2024: €510,347).

## **23 Other reserves**

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.

The redemption reserve represents a non-distributable reserve used to redeem the shares of members.

**Drinagh Co-Operative Limited**  
**Notes to the Financial Statements For the Year Ended 31 December 2025**

**24 Net cash flows from operating activities**

	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Consolidated profit for the financial year	9,101,029	9,032,337
<b>Adjustments for:</b>		
Taxation charge in the Consolidated Income Statement	2,850,924	3,233,674
Interest payable & similar charges	1,036,407	1,372,050
Investment & other income	(1,491,138)	(1,732,852)
Share of operating results of associates and joint venture	(8,288,611)	(8,629,807)
Profit on sale of tangible fixed assets	(181,269)	(51,745)
Depreciation of tangible fixed assets	2,196,991	2,176,760
Amortisation of goodwill	521,725	521,725
Tax paid on operating activities (note 25)	(656,449)	(556,245)
Increase in market support provision	1,100,000	-
(Increase) / decrease in stocks	(1,166,938)	29,878
Decrease in debtors	2,198,836	6,909,917
Increase in creditors	1,710,025	1,370,774
<b>Net cash inflow from operating activities</b>	<b>8,931,532</b>	<b>13,676,466</b>

**25 Tax paid**

	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Tax paid on operating activities	656,449	556,245
Tax paid on investing activities	117,427	246,407
	<u>773,876</u>	<u>802,652</u>

**26 Components of cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Cash at bank and in hand	11,010,469	8,422,939
	<u>11,010,469</u>	<u>8,422,939</u>

**27 Capital commitments**

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

	2025 €	2024 €
Contracted for:	2,120,500	4,977,500
Authorised but not contracted for:	-	-

**28 Events after the reporting date**

There have been no significant events affecting the group after year end.



## 29 Related party transactions

Members of the Board of Directors and their families trade with the Society on a normal commercial basis. The level of (a) purchases by the Society from the Board of Directors and their families and (b) sales to the members of the Board of Directors and their families by the Society amounted to (a) €4,081,588 (2024: €4,240,941) and (b) €1,663,389 (2024: €1,703,441) respectively. At 31 December 2025 trading balances amounted to €146,418 (2024: €241,907).

Total sales to Carbery Creameries Limited for the year were €117.5M (2024: €109.8M).

Board members who attend monthly, special, audit committee, investment committee and remuneration committee meetings receive a fee of €200 per 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 reimbursed for expense outlay incurred. Board members who attend relevant continuing education courses have associated costs re-imbursed.

In 2025 there were 12 monthly meetings, 1 special meeting, 4 audit committee meetings, 1 investment committee meeting and 2 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:
Derry Connolly	14	2,884	3 - from June '25
Marguerite Crowley	20	4,224	1 - until June '25
Mary Hayes <i>(from June '25)</i>	8	1,953	2 - from June '25
Sean Hayes	15	3,167	2 - from June '25
Bryan Holmes <i>(from June '25)</i>	7	1,491	
John Hurley	37	9,229	1 - until June '25; 2 - from June '25; 3
Peter Kelly	16	4,946	2 - until June '25
Donal McCarthy <i>(until June '25)</i>	15	3,629	2 - until June '25; 3 - until June '25
Flor McCarthy	24	5,842	
Donal O'Connor	15	3,055	2 - from June '25
James O'Donovan	16	3,545	2 - until June '25
Michael John O'Donovan <i>(until June '25)</i>	11	2,398	3 - until June '25
Peadar O'Driscoll	15	3,320	1 - from June '25
Finn O'Mahony	18	4,457	1
Jerry O'Neill	21	4,405	1 - from June '25; 3
		58,545	

Board Committees: 1 Audit 2 Investment 3 Remuneration

### 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 2025 amounted to €1,019,513 (2024: €981,572).

**30 Analysis of changes in net funds/(debt)**

	1 January 2025 €	Cash flows €	31 December 2025 €
Cash at bank and in hand	8,422,939	2,587,530	11,010,469
Obligations under finance leases	(71,213)	71,213	-
	<u>8,351,726</u>	<u>2,658,743</u>	<u>11,010,469</u>

**31 Approval of financial statements**

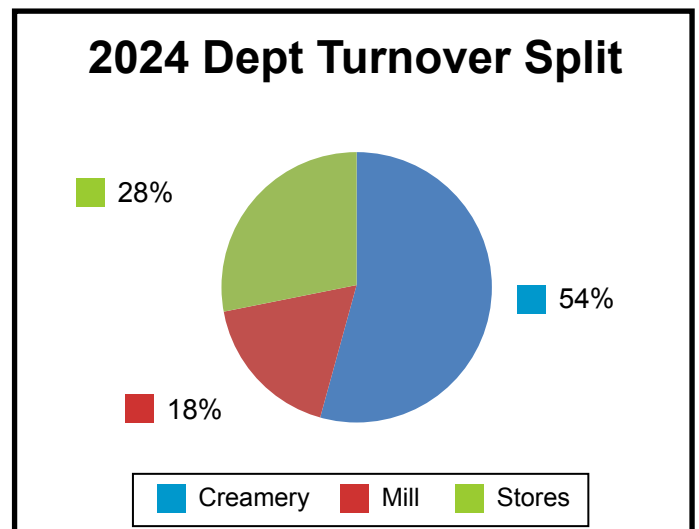
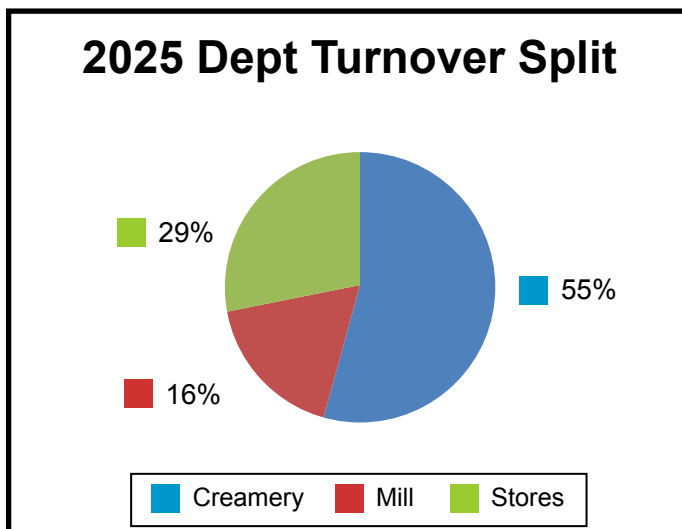
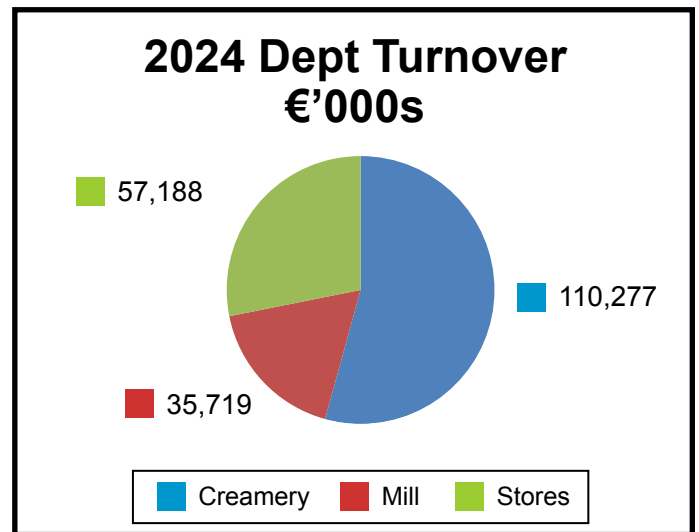
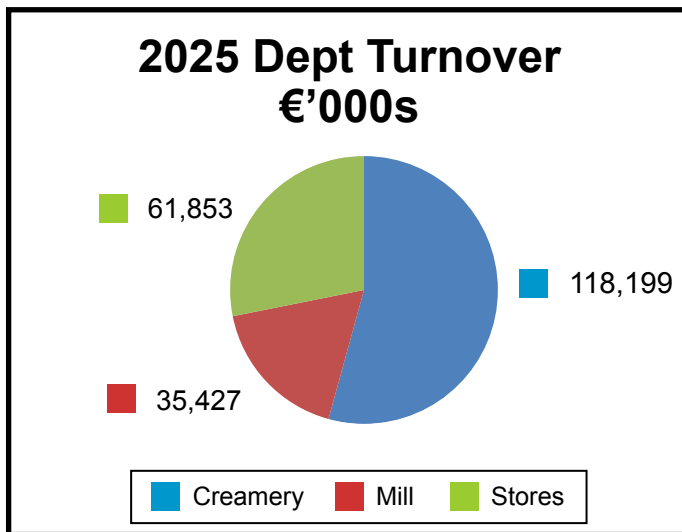
The Board of Directors approved the financial statements on the 24th April 2026.

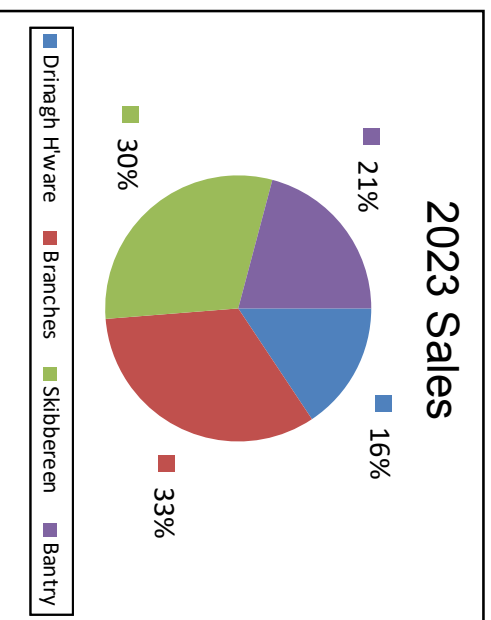
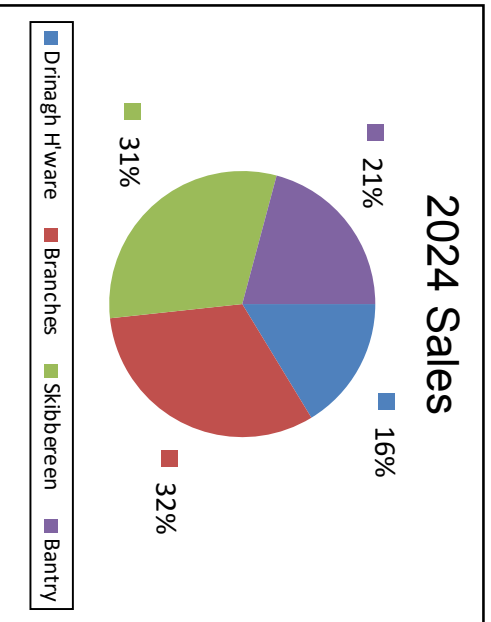
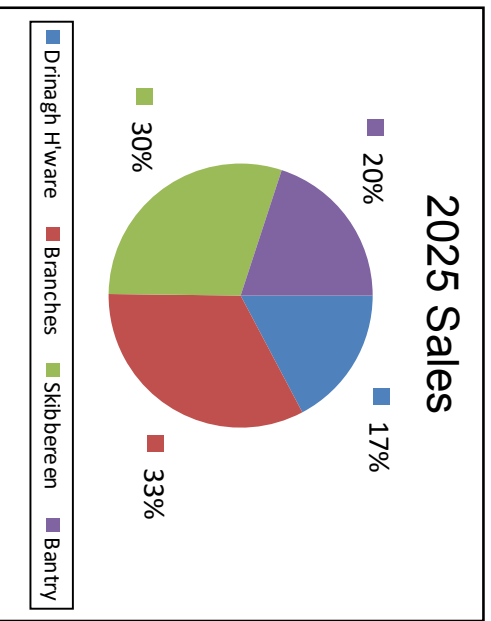
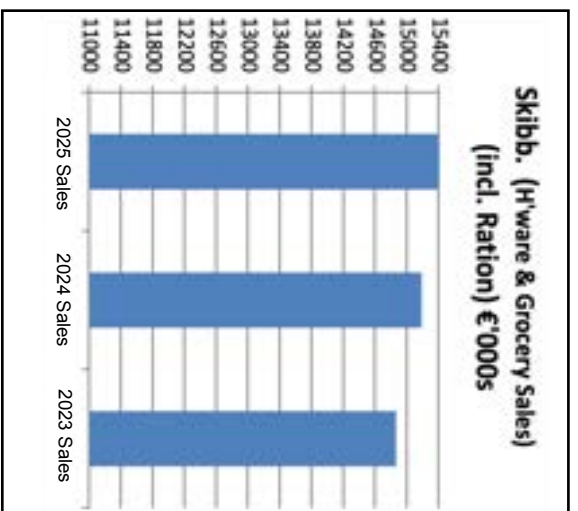
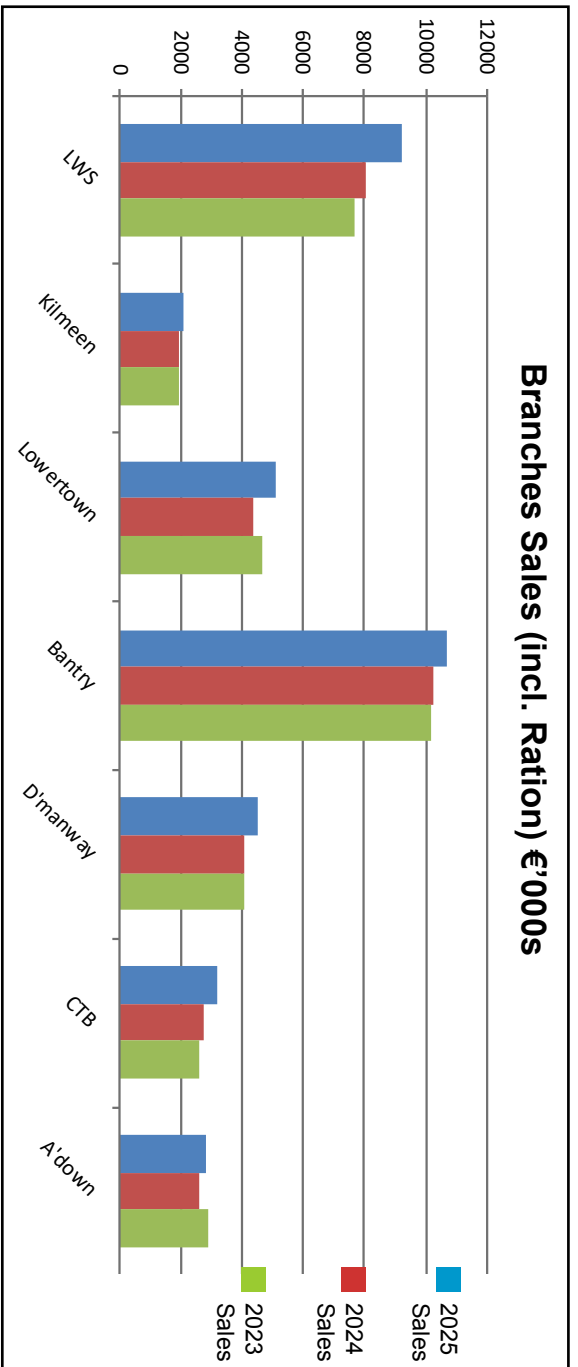


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**Appendix I**  
**Group Turnover**

	2025 €	2024 €
Creamery	118,198,709	110,277,100
Mill	35,426,854	35,718,694
Stores	61,853,270	57,188,333
Other Turnover	31,249	29,225
	<u>215,510,082</u>	<u>203,213,352</u>





**Appendix II**

**Operating Costs Analysis**

	2025	2024
	€	€
<u>Production Costs</u>		
Packaging	276,869	225,189
Fuel & Oil	133,579	110,523
Electricity	1,034,115	965,870
Cleaning, Protective Clothing & Pest Control	253,775	240,071
Maintenance, Repairs & Parts	930,455	852,327
	2,628,793	2,393,980
<u>Administrative Overhead</u>		
Rent, Rates & Insurance	663,294	511,409
Advertising, Printing & Stationery	157,702	182,827
Computer Services	442,899	395,281
Postage & Telephone	146,591	123,282
Audit, Legal & Consultancy	233,860	219,286
Committee Expenses	118,647	87,563
Sundries	72,631	79,479
Subscriptions	171,488	154,252
Provision for Bad Debts	-	(200,000)
	2,007,112	1,553,379

## Drinagh Co-Operative Limited Appendices

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

	2025					2024						
	Drinagh Co-Operative Limited €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €	Drinagh Co-Operative Limited €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €
Operating Results	3,208,611	8,098,372	(19,183)	209,422	-	11,497,222	3,275,402	8,491,618	8	138,181	-	11,905,209

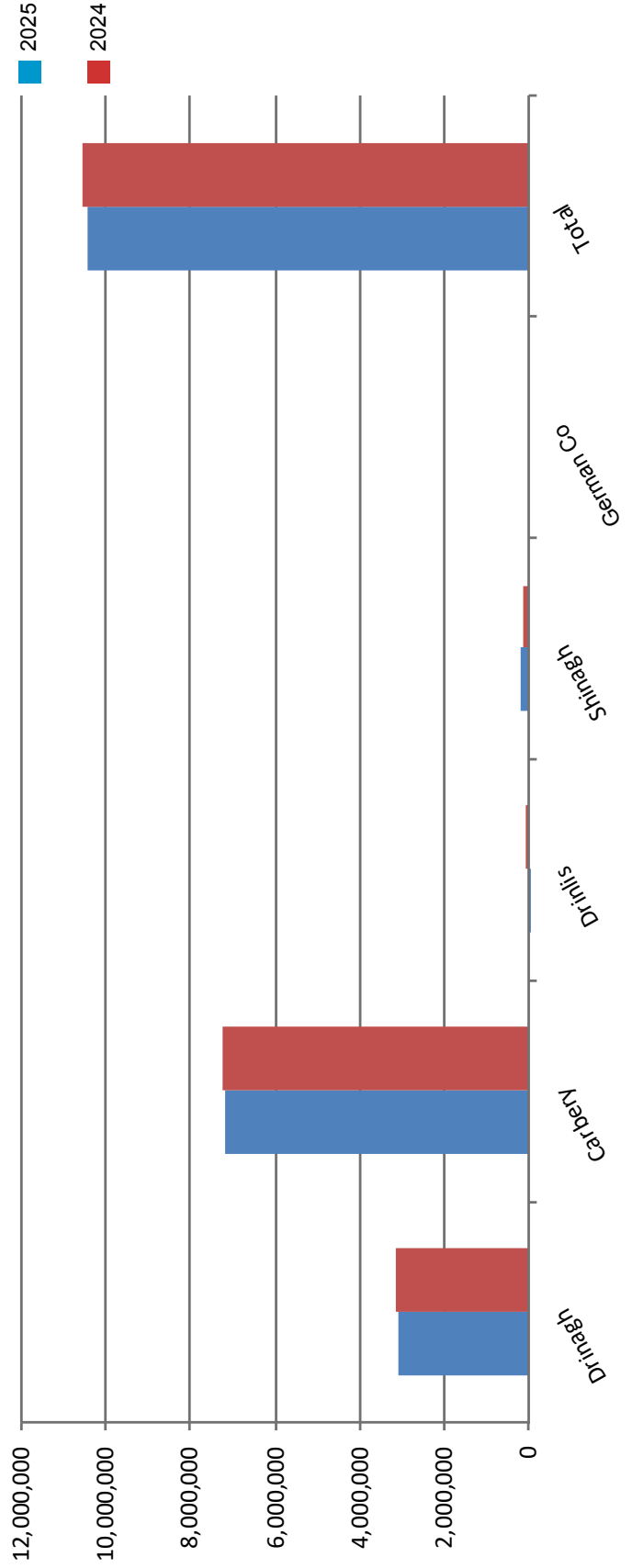
### Appendix IV Investment & Other Income

	2025					2024						
	Drinagh Co-Operative Limited €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €	Drinagh Co-Operative Limited €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €
Income/(Losses) from Investments	787,267	225,927	-	-	(23,300)	989,894	1,196,951	216,401	-	-	(28,913)	1,384,439
Fair Value Adjustment	454,973	-	-	-	-	454,973	522,821	-	-	-	-	522,821
Other Income	58,886	-	-	-	-	58,886	86,220	-	-	-	-	86,220
Rental Income	19,321	-	-	-	-	19,321	30,642	-	-	-	-	30,642
Other Finance Income	-	(31,936)	-	-	-	(31,936)	-	(291,270)	-	-	-	(291,270)
	1,320,447	193,991	-	-	(23,300)	1,491,138	1,836,634	(74,869)	-	-	(28,913)	1,732,852

Appendix V Interest Payable & Similar Charges

	2025				2024					
	Drinagh Co-Operative Limited	Carbery	Drinlis Properties	German Subsidiary	Total	Drinagh Co-Operative Limited	Carbery	Drinlis Properties	German Subsidiary	Total
	€	€	€	€	€	€	€	€	€	€
Bank Interest & Charges	138,136	898,271	-	-	1,036,407	143,041	1,229,009	-	-	1,372,050

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



## Drinagh Co-Operative Limited Appendices

### Appendix VII

#### Movement in Profit & Loss Account

	2025					2024						
	Drinagh Co-Operative Limited €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €	Drinagh Co-Operative Limited €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €
Operating Results (App III)	3,208,611	8,098,372	(19,183)	209,422	-	11,497,222	3,275,402	8,491,618	8	138,181	-	11,905,209
Investment & Other Income (App IV)	1,320,447	193,991	-	-	(23,300)	1,491,138	1,836,634	(74,869)	-	-	(28,913)	1,732,852
Interest Payable & Similar Charges (App V)	(138,136)	(898,271)	-	-	-	(1,036,407)	(143,041)	(1,229,009)	-	-	-	(1,372,050)
Taxation	(641,567)	(2,189,282)	-	(20,075)	-	(2,850,924)	(870,424)	(2,345,887)	-	(17,363)	-	(3,233,674)
Profit for the financial year	3,749,355	5,204,810	(19,183)	189,347	(23,300)	9,101,029	4,098,571	4,841,853	8	120,818	(28,913)	9,032,337
Dividends	(83,701)	(303,048)	-	-	-	(386,749)	(84,256)	(304,603)	-	-	-	(388,859)
Retained Profit for the Year	3,665,654	4,901,762	(19,183)	189,347	(23,300)	8,714,280	4,014,315	4,537,250	8	120,818	(28,913)	8,643,478
Remeasurement (Loss) in Respect of Defined Benefit Pension Schemes	-	(298,631)	-	-	-	(298,631)	-	(121,704)	-	-	-	(121,704)
Deferred Tax Movement on Defined Benefit Scheme	-	34,314	-	-	-	34,314	-	11,623	-	-	-	11,623
Fair Value Investment Reserve Movement	(9,083)	-	-	-	-	(9,083)	(21,584)	-	-	-	-	(21,584)
Share of Hedge Instrument	-	-	-	-	-	-	-	-	-	-	-	-
Redemption Reserve Movement	-	57,948	-	-	-	57,948	(250,000)	(175,458)	-	-	-	(425,458)
Issue of Bonus Shares	(82,362)	-	-	-	-	(82,362)	(81,110)	-	-	-	-	(81,110)
Movement in Profit & Loss Account	3,574,209	4,695,393	(19,183)	189,347	(23,300)	8,416,466	3,661,621	4,251,711	8	120,818	(28,913)	8,005,245

### Appendix VIII

#### Annual Comparatives

Financial	2025	2024	2023	2022	2021	
Turnover	€000	215,510	203,213	188,287	237,305	171,918
Consolidated Profit for the Year after Tax	€000	9,101	9,032	7,856	8,248	10,496
Shareholders Funds	€000	194,901	194,323	183,231	177,384	167,652
<u>Statistical</u>						
Number of Milk Suppliers	No.	491	511	521	530	536
Milk Intake	Litres (Mill.)	215.4	210.7	212	218.6	219.8
Average Butterfat	%	4.31	4.31	4.29	4.25	4.22
Average Protein	%	3.64	3.58	3.54	3.56	3.51