

rinagh



MEMBERS OF BOARD OF DIRECTORS AS AT 31st DECEMBER 2024

Drinagh:

Derry Connolly
Donal O'Connor

South West:

Michael John O'Donovan ³
Peadar O'Driscoll

South:

Marguerite Crowley ¹
Jerry O'Neill ³

North:

Sean Hayes
James O'Donovan ²

East:

John Hurley ^{1, 3}
Flor McCarthy

West:

Donal McCarthy ^{2, 3}
Finn O'Mahony ¹

Castletownbere:

Peter Kelly ²

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

OTHER INFORMATION

Chairman:

Donal McCarthy

Vice-Chairman:

John Hurley

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
P85VF62

Solicitors:

Murphy, Long & Taaffe,
Bandon
Co. Cork

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It is my privilege as Chairman to present to you the annual report for 2024. Despite the challenges of a very difficult start to the year due to the inclement weather, I am happy to report that the Society achieved strong growth and excellent results in all departments. At year end, the Board was in a position to approve generous bonuses to our milk suppliers and customers to reflect the strong trading performance.

Financial performance:

Overall turnover in the year increased by 7.9% to over €203 million, with operating profit (before trade bonuses) up 5.1%. Creamery turnover was up 13.7% with price recovering in the second half of the year. Mill volumes reflected the challenging weather conditions and finished the year 16.3% greater than 2023. In contrast, the value of mill turnover fell by 1.1% with average prices lower than 2023. Fertilizer volumes increased by 17.7% on 2023 with average prices lower by 23.3%; all other turnover in the stores increased by 2.8% with margins softening. The pharmacy division reports a 14% increase in turnover, with 65% of this accounted for by a first full year's trade in Ballineen.

In addition to both Carbery's milk price support of 5.0 cents per litre already paid on March milk, and the feed rebate provided on January to April purchases, the Board was pleased to be able to announce an end of year trade bonus package of €3.2M – increasing the total Drinagh 2024 amounts by 10.8% on those for 2023.

Carbery reported excellent results. Dairy markets were marked by global demand fluctuations and persistent cost pressures. There was a good performance in its Nutrition Division delivered through new customers and a focus on innovation and a strong performance in its Taste Division achieved through increased consumer demand with a focus on delivering on its growth potential balanced with meeting the highest standards. Group turnover was up 8.4% on 2023 and operating profit was up by 26.8%. Carbery was able to draw on the €1.3M balance in the stability fund set aside in prior years to support the milk price early in 2024 and it was also able to increase this fund by the end of 2024 by setting aside €8.6M for future years.

Our investment portfolio contributed positively to 2024 group profit with equity markets delivering double digit returns. Drinlis continued to invest in the growth potential in short term and long term workspace solutions reflected in the first market value increase in the Clonakilty property since 2020. Shinagh Estates reported a 4.8% increase in turnover and a 30.7% increase in operating profit on 2023.

Creamery:

Milk supply for the year reduced by 1.35 million litres to just over 210.6 million litres. Supplies for the first half of the year were back around 5%, due to a very wet March/April and a May/June with low grass growth rates. A weather support package of 5.0 cents per litre plus VAT was paid on all March milk supplies in recognition of the difficulties facing farmers during the spring. However, a good backend saw milk supplies recover and allowed some reprieve on farm after a tough year.

A total of €1.73 million in FutureProof bonus payments was paid to suppliers to encourage the use of more sustainable practices on farm.

In 2024, we asked suppliers to complete a survey on their future plans. We had an excellent response with over 80% of Drinagh milk suppliers making a submission. Giving Carbery an insight into supplier's plans provides vital information on how best to plan and prepare their business for the coming years too. The survey also provided feedback on key areas such as succession and the potential impact of changes to our current nitrates derogation.

Bovine Tuberculosis (TB) continues to be a significant issue in the Drinagh Co-op catchment area, with high TB reactor numbers both in 2023 and 2024. The toll that this disease can have on both the farm business and on farm families cannot be underestimated.

Drinagh Co-Operative Limited Chairman's Report to Members

The Society congratulates Jason Wolfe, Stouke, Ballydehob who was the Drinagh winner at the Carbery Milk Quality and Sustainability Awards. Congratulations also to Oliver and Sheila Lynch, Coolnaclehy, Skibbereen who were finalists at the NDC and Kerrygold Quality Milk Awards during the year.

The Board approved a bonus of 1.0 cent per litre on 2024 milk supplies at year end. The average price paid on 2024 milk supplies was 53.50 cents per litre after levies and charges and including VAT.

Stores:

The stores division continues to perform strongly. Substantial capital expenditure projects were approved for the Skibbereen Hardware and Bantry Farm Center stores. Re-development works were also approved for the Dunmanway and Aughdown outlets. At year end the Board approved a €15 per tonne rebate on fertilizer purchases for 2024. This was in addition to the €100 per tonne rebate approved for our beef and sheep farmers for the purchase of protected urea products to encourage the adoption of emission reducing technologies on farm.

Mill:

Mill throughput increased substantially to almost 100,000 tonnes for the year. The combination of a very wet Spring where stock were housed until mid April combined with a rising milk price and favourable grazing conditions at year end led to this record tonnage. Raw material prices eased throughout the year which allowed us to decrease feed prices to our customers as the year progressed.

The Board approved a rebate of €15 per tonne on ruminant compound feeds from January to April to help reduce the costs to our customers resulting from the poor spring weather. In addition, at year end the Board approved a bonus of €12 per tonne on all ruminant feed purchases as well as bonuses for other categories of feed similar to prior years.

Pharmacies:

The year marked the first full year trading of Scannell's Pharmacy, Ballineen in the Society's pharmacy division. A re-branding to Drinagh Pharmacy Ballineen took place in September. The Board approved a re-development of the Skibbereen pharmacy which included the purchase of a robot to improve efficiencies. This project was completed recently and will strengthen our position in the sector.

On behalf of the Board, I would like to thank the management and staff for their continued hard work and commitment to the Society. The Co-Op has gone from strength to strength over the last number of years due to their dedication.

The year represents my own final year on the Board. Sincere thanks to my fellow Board members for their efforts throughout the year and for their support and collaboration with me over the last four years as Chairman. I wish the Society well in the years ahead.

A special word of thanks to Mr. Michael John O'Donovan who is also retiring from the Board. I welcome Mrs. Mary Hayes and Mr. Bryan Holmes to the Board and wish them well in their terms in office.

Finally I want to thank our shareholders, milk suppliers and customers for their continued loyalty to the Society.

Donal McCarthy.
Chairman.

Drinagh Co-Operative Limited
Directors Responsibilities Statement
For the Year Ended 31 December 2024

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 25th April 2025:

Donal McCarthy
Chairman

John Hurley
Vice Chairman



Drinagh Co-Operative Limited

Independent Auditors' Report to the Members of Drinagh Co-Operative Limited

Opinion

We have audited the financial statements of Drinagh Co-Operative Ltd (the 'Society') for the year ended 31 December 2024 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 2024 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 the 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 Crowley & McCarthy

Chartered Accountants

Building G
West Cork Technology Park
Clonakilty
Co Cork

25 April 2025

Drinagh Co-Operative Limited
Consolidated Income Statement For the Year Ended 31 December 2024

	Notes	2024 €	2023 €
Turnover	5	203,213,352	188,287,133
Cost of sales		(174,340,964)	(161,652,587)
Gross profit		28,872,388	26,634,546
Production costs		(2,393,980)	(2,210,648)
Trade bonus	6	(4,514,434)	(3,228,535)
Wages and salaries	7	(12,974,107)	(11,961,884)
Other operating costs	8	(5,714,465)	(5,942,448)
Operating profit	9	3,275,402	3,291,031
Share of operating results of associate and joint venture		8,629,807	6,543,472
Investment and other income	10	1,732,852	1,955,151
Interest payable and similar expenses	11	(1,372,050)	(1,533,139)
Profit on ordinary activities before tax		12,266,011	10,256,515
Tax on profit on ordinary activities	12	(3,233,674)	(2,400,855)
Profit for the financial year		9,032,337	7,855,660

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 25th April 2025:

Donal McCarthy
Chairman

John Hurley
Vice Chairman

Drinagh Co-Operative Limited
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2024

	2024 €	2023 €
Consolidated profit for the financial year	9,032,337	7,855,660
Other comprehensive income		
Share of remeasurement loss recognised on defined benefit schemes of associate	(121,704)	(102,085)
Share of movement on deferred tax relating to defined benefit scheme of associate	11,623	(7,170)
Redemption reserve movement of associate	(175,458)	(81,678)
Share of (loss) / gain of hedge instrument of associate	(124,439)	166,955
Share of currency translation differences on net assets of foreign investments of associate	3,167,391	(1,398,117)
Total comprehensive income for the financial year	<u>11,789,750</u>	<u>6,433,565</u>



Drinagh Co-Operative Limited
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024

	Share Capital €	Capital Reserve (Note 24) €	Redemption Reserve (Note 24) €	Profit and Loss Account €	Fair Value Investment Reserve (Note 24) €	Total Equity €
Balance at 1 January 2023	6,438,178	30,677,943	75,985	139,574,195	617,869	177,384,170
Profit for the year	-	-	-	7,855,660	-	7,855,660
Other comprehensive income	-	(1,231,162)	-	(190,933)	-	(1,422,095)
Total comprehensive income for the year	-	(1,231,162)	-	7,664,727	-	6,433,565
Transfer to fair value investment reserve	-	-	-	(538,537)	538,537	-
Issue of bonus shares	2,309,776	-	(75,699)	(2,234,077)	-	-
Dividends & share interest paid (note 13)	-	-	-	(368,845)	-	(368,845)
Shares subscribed for in the year	8,100	-	-	-	-	8,100
Shares cancelled during the year	(226,076)	-	-	-	-	(226,076)
Balance at 31 December 2023	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)
Balance at 31 December 2024	8,417,191	32,489,733	135,470	152,102,708	1,177,990	194,323,092

Drinagh Co-Operative Limited
Consolidated Statement of Financial Position
as at 31 December 2024

	Notes	2024		2023	
		€	€	€	€
Fixed assets					
Intangible assets	14	2,387,780		2,909,505	
Tangible assets	15	15,160,585		14,366,623	
Financial assets	16	137,457,941		118,083,380	
		<u>155,006,306</u>		<u>135,359,508</u>	
Current assets					
Stocks	17	11,950,932		11,980,810	
Debtors	18	37,539,700		44,449,617	
Cash at bank and in hand		8,422,939		8,784,737	
		<u>57,913,571</u>		<u>65,215,164</u>	
Creditors: amounts falling due within one year	19	(18,016,588)		(16,702,991)	
Net current assets		<u>39,896,983</u>		<u>48,512,173</u>	
Total assets less current liabilities		<u>194,903,289</u>		<u>183,871,681</u>	
Creditors: amounts falling due after more than one year	20	-		(71,186)	
Provisions for liabilities	21	(580,197)		(569,581)	
Net assets		<u>194,323,092</u>		<u>183,230,914</u>	
Capital and reserves					
Called up share capital	22	8,417,191		8,529,978	
Other reserves	24	33,803,193		30,603,473	
Profit and loss reserves		152,102,708		144,097,463	
Total equity		<u>194,323,092</u>		<u>183,230,914</u>	

Signed on behalf of the Board of Directors on 25th April 2025:

Donal McCarthy
Chairman

John Hurley
Vice Chairman

Drinagh Co-Operative Limited
Consolidated Statement of Cash Flows For the Year Ended 31 December 2024

	Notes	2024		2023	
		€	€	€	€
Net cash flows from operating activities	25		13,676,466		3,603,241
Cash flows from investing activities					
Purchase of tangible fixed assets		(2,984,546)		(2,624,491)	
Purchase of investments		(15,395,647)		(1,027,412)	
Proceeds of sale of investments		4,268,409		162,810	
Proceeds of sale of fixed assets		65,569		34,000	
Investment income		859,024		875,369	
Taxation paid	26	(246,407)		(18,679)	
Rental and other income		116,862		223,429	
Net cash flows from investing activities			(13,316,736)		(2,374,974)
Cash flows from financing activities					
Redemption of ordinary shares		(315,013)		(226,076)	
Issue of ordinary shares		6,300		8,100	
Repayment of borrowings		(185,518)		(312,157)	
Interest paid		(143,041)		(141,509)	
Equity dividend paid		(84,256)		(64,298)	
Net cash flows from financing activities			(721,528)		(735,940)
Net (decrease)/increase in cash and cash equivalents			(361,798)		492,327
Cash and cash equivalents at beginning of year			8,784,737		8,292,410
Cash and cash equivalents at end of year	27		8,422,939		8,784,737

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 Financial Statements of Drinagh Co-operative Ltd for the financial year ended 31 December 2024.

Drinagh Co-Operative Ltd 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 2024 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 2024, if necessary, changes to the comparative 2023 figures would be made in order to maintain consistency with the nature of the figures being reported for 2024.

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	
	2024	2023	2024	2023
€1 to STG £	0.84662	0.86979	0.82918	0.86905
€1 to USD \$	1.08240	1.08130	1.03890	1.10500
€1 to CAD \$	1.48210	1.45950	1.49480	1.46420
€1 to NOK kr	11.62900	11.42480	11.79500	11.24050
€1 to CHF fr	0.95260	0.97180	0.94120	0.92600

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.

Turnover analysed by class of business

	2024 €	2023 €
Creamery	110,277,100	96,194,758
Mill	35,718,694	36,174,538
Stores	57,188,333	55,887,882
Other	29,225	29,955
	<u>203,213,352</u>	<u>188,287,133</u>

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

6 Trade bonus

	2024 €	2023 €
Milk bonus	2,961,169	2,004,707
Mill bonus	1,183,575	937,322
Stores bonus	369,690	286,506
	<u>4,514,434</u>	<u>3,228,535</u>

The milk bonus represents the following: 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; (2023: 1.00 cent per litre on milk supplied in the calendar year 2023 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.)

The mill bonus represents €12.00 per tonne on compounded ruminant feed for 2024 (2023: €15.00), €7.00 per tonne on mixes (2023: €10.00), €5.00 per tonne on pig feed (2023: €5.00), and €2.00 per tonne on feed straights (2023: €2.50) plus a rebate on feed purchases between January and April 2024 of €15.00 per tonne on compounded ruminant feed, €10.00 per tonne on mixes and €2.50 per tonne on straights.

The stores bonus represents €15.00 per tonne on fertilizer purchases in 2024 (2023: €15.00) plus €65,719 of protected urea rebates to non-dairy livestock customers (2023: €28,250).

7 Employees

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

	2024 Number	2023 Number
Production/Operations	213	207
Sales	3	3
Administration	26	26
Total	<u>242</u>	<u>236</u>

Their aggregate remuneration comprised:

	2024 €	2023 €
Wages and salaries	11,157,135	10,289,265
Social security costs	1,189,994	1,106,996
Pension costs	626,978	565,623
	<u>12,974,107</u>	<u>11,961,884</u>

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

8 Other operating costs\profits)

	2024 €	2023 €
Distribution & selling costs	1,514,346	1,585,082
Administrative overhead	1,553,379	1,904,344
Depreciation	2,176,760	2,013,630
Amortisation of goodwill	521,725	469,392
Profit on sale of tangible fixed assets	(51,745)	(30,000)
	<u>5,714,465</u>	<u>5,942,448</u>

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

9 Operating profit

	2024 €	2023 €
Operating profit is stated after charging/(crediting)		
Depreciation of owned assets (note 15)	2,055,018	1,715,238
Depreciation of assets held under finance leases (note 15)	121,742	298,392
Amortisation and impairment of intangibles (note 14)	521,725	469,392

10 Investment and other income

	2024 €	2023 €
Profit / (loss) on sale of listed securities	361,808	(26,494)
Fair value adjustment of investments	522,821	809,832
Investment income	835,143	840,346
Book (loss)/gain on sale of foreign investment property	(28,913)	1,516
Rental and other income	116,862	223,428
	<u>1,807,721</u>	<u>1,848,628</u>
Share of associate		
Investment income	216,401	73,405
Other finance income	(291,270)	33,118
	<u>(74,869)</u>	<u>106,523</u>
	<u>1,732,852</u>	<u>1,955,151</u>

11 Interest payable and similar expenses

	2024 €	2023 €
Interest payable - Society & subsidiaries	143,041	141,509
Share of associates and joint venture		
Interest payable	1,229,009	1,391,630
	<u>1,372,050</u>	<u>1,533,139</u>

12 Taxation

	2024 €	2023 €
Domestic current year tax		
Corporation tax on profits for the year	872,385	540,237
Adjustments in respect of prior years	(12,577)	2,032
	<u>859,808</u>	<u>542,269</u>
Total current tax	859,808	542,269
Deferred tax on fair value of investments	10,616	265,250
	<u>870,424</u>	<u>807,519</u>
Domestic tax on profits on ordinary activities	870,424	807,519
Share of tax of associate companies	2,363,250	1,599,642
Share of tax of joint venture	-	(6,306)
	<u>2,363,250</u>	<u>1,593,336</u>
Amount charged to the Consolidated Income Statement	<u>3,233,674</u>	<u>2,400,855</u>



Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

12 Taxation

(Continued)

Factors affecting the tax charge for the year:

	2024 €	2023 €
Profit on ordinary activities before taxation	12,266,011	10,256,515
Less share of profit in associates and joint ventures	(7,325,929)	(5,258,365)
Profit on ordinary activities before taxation (excluding profits from associates and joint venture)	4,940,082	4,998,150
Standard tax rate	12. 50%	12. 50%
Expected tax	617,510	624,769
Actual tax charge	870,424	807,519
Difference	252,914	182,750

Effects of:

Tax rate difference on revalued assets	147,039	172,674
Other tax adjustments	(2,409)	(1,403)
Prior year adjustment	(12,577)	2,032
Depreciation in excess of capital allowances	83,353	13,964
Tax rate difference on passive income	16,120	13,402
Franked investment income not taxed	(43,179)	(43,179)
Disallowable expenses	64,567	25,260
	252,914	182,750

13 Dividends and share interest paid

	2024 €	2023 €
Dividend of one cent per share on shares issued as at 31 December 2023 (2023: one cent per share on shares issued as at 31 December 2022)	84,256	64,298
Share of associate		
5% annual coupon on 'B' ordinary shares	304,603	304,547
	388,859	368,845

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

14 Intangible assets

	Goodwill
	€
Cost	
At 1 January 2024 and 31 December 2024	6,692,445
Amortisation	
At 1 January 2024	3,782,940
Amortisation charged for the year	521,725
At 31 December 2024	4,304,665
Carrying amount	
At 31 December 2024	2,387,780
At 31 December 2023	2,909,505

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 7.3 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 1.7 years.

Goodwill arose on the acquisition of McCarthy's Pharmacy (Schull) 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 2.7 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 8.66 years.



Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

15 Tangible fixed assets

	Freehold land and buildings €	Plant and equipment, fixtures & fittings €	Transport vehicles €	Total €
Cost				
At 1 January 2024	17,316,521	20,772,289	7,185,444	45,274,254
Additions	969,072	745,875	1,269,599	2,984,546
Disposals	-	-	(360,800)	(360,800)
At 31 December 2024	18,285,593	21,518,164	8,094,243	47,898,000
Depreciation and impairment				
At 1 January 2024	8,234,914	16,581,877	6,090,840	30,907,631
Profit and loss charge	320,874	1,099,018	756,868	2,176,760
Disposals	-	-	(346,976)	(346,976)
At 31 December 2024	8,555,788	17,680,895	6,500,732	32,737,415
Carrying amount				
At 31 December 2024	9,729,805	3,837,269	1,593,511	15,160,585
At 31 December 2023	9,081,607	4,190,412	1,094,604	14,366,623

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

	Leased Assets €
Cost	
At 1 January 2024	4,549,816
Additions	-
Disposals	(190,000)
At 31 December 2024	4,359,816
Depreciation and impairment	
At 1 January 2024	4,418,841
Profit and loss charge	121,742
Disposals	(190,000)
At 31 December 2024	4,350,583
Carrying amount	
At 31 December 2024	9,233
At 31 December 2023	130,975

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

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

		2024	2023
	Notes	€	€
Investment in associated undertaking	(a)		
At cost		6,993,721	6,993,721
Group share of post acquisition net assets		110,962,348	103,546,866
		<u>117,956,069</u>	<u>110,540,587</u>
Investment in joint venture undertaking	(b)		
At cost		50	50
Group share of post acquisition net assets		(202,663)	(202,671)
Loan to joint venture		858,285	783,285
		<u>655,672</u>	<u>580,664</u>
Other financial investments	(c)		
Listed securities		18,346,040	6,087,195
Unlisted securities		500,160	874,934
		<u>18,846,200</u>	<u>6,962,129</u>
		<u>137,457,941</u>	<u>118,083,380</u>

(a) Investment in associated undertaking

The investment in the associated undertaking comprises a 34.19% (2023: 34.14%) interest in Carbery Creameries Limited, which is engaged in the development, management and supply of cheeses, alcohol and select food ingredients plus 40% (2023: 40%) in Shinagh Estates Limited, which is a holding investment company. During 2024 under Carbery's Milk Supply Share Scheme, the 'B' Ordinary Shares decreased by 112,936, thereby increasing the shareholding % of Drinagh Co-operative Ltd.

(b) Investment in joint venture undertaking

The investment in Joint Venture represents a 50% (2023: 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 2024

16 Financial assets

(Continued)

(c) Other financial investments

	Listed securities €	Unlisted securities €
Cost or valuation		
At 1 January 2024	6,087,195	874,934
Additions and disposals	12,226,645	(374,774)
Revaluations	32,200	-
At 31 December 2024	18,346,040	500,160
Provision for diminution in value		
At 1 January 2024	-	-
Decrease in provision for year	-	-
At 31 December 2024	-	-
Carrying value		
At 31 December 2024	18,346,040	500,160
At 31 December 2023	6,087,195	874,934

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 Ltd	Dormant	100%	Drinagh, Co. Cork
G.W.B. Trading Ltd	Dormant	100%	Drinagh, Co. Cork
James O' Sullivan (Chemist) Ltd	Dormant	100%	Drinagh, Co. Cork
McCarthy's Pharmacy (Schull) Ltd	Dormant	100%	Drinagh, Co. Cork

17 Stocks

	2024 €	2023 €
Finished goods	10,882,557	10,935,110
Raw materials	582,709	722,657
Expense stocks	485,666	323,043
	11,950,932	11,980,810

Drinagh Co-Operative Limited

Notes to the Financial Statements For the Year Ended 31 December 2024

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 (2023: €nil).

Stocks considered obsolete are written down to net realisable value.

18 Debtors

	2024 €	2023 €
Trade debtors	10,831,313	11,638,197
Withholding tax	354,551	304,963
Carbery Creameries Limited	24,824,945	31,350,187
Prepayments and accrued income	1,528,891	1,156,270
	<u>37,539,700</u>	<u>44,449,617</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 2024

19 Creditors: amounts falling due within one year

	2024 €	2023 €
Lease liability (note 20)	71,213	185,545
Trade creditors & accruals	17,495,728	16,142,033
Corporation tax payable	122,392	65,236
Other taxation and social security	327,255	310,177
	<u>18,016,588</u>	<u>16,702,991</u>
Included in other taxation and social security creditors are the following amounts:		
PAYE/PRSI	<u>327,255</u>	<u>310,177</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 €6.2M (2023: €6.4M) 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.

20 Creditors: amounts falling due after more than one year

	2024 €	2023 €
Lease Liability	71,213	256,731
less amount falling due within one year (note 19)	(71,213)	(185,545)
	<u>-</u>	<u>71,186</u>
Repayable as follows:		
Between two and five years	-	71,186
After five years	-	-
	<u>-</u>	<u>71,186</u>
Total amounts falling due after more than one year	<u>-</u>	<u>71,186</u>

The effective rate of interest on the leases was 1.37% (2023: 1.40%). 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.

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

21 Provisions for liabilities

Deferred Taxation

At 1 January	
Charged to Consolidated Income Statement	
At 31 December	

2024 €	2023 €
569,581	304,331
10,616	265,250
<u>580,197</u>	<u>569,581</u>

22 Called up share capital

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

At 1 January	
Bonus shares issued (see below)	
Subscribed for during the year	
Shares cancelled during the year	

2024 €	2023 €
8,529,978	6,438,178
195,926	2,309,776
6,300	8,100
(315,013)	(226,076)
<u>8,417,191</u>	<u>8,529,978</u>

At 31 December

The ordinary shares have no right to fixed income.

During the year the Society issued the following bonus shares:

Shares issued for redemption bonus	
Based on trading with the Society for 2023 (2023: for 2022):	
Bonus issue 1 for 3 shares	

2024 €	2023 €
114,816	75,699
81,110	90,823
-	2,143,254
<u>195,926</u>	<u>2,309,776</u>

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 FRS 102, 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 was carried out on 1st January 2023 and the most recent full actuarial valuation of the Dairy Executives Pension Fund was carried out on 31st March 2022. An Actuarial Funding Certificate was prepared separately for each scheme effective on the valuation date confirming the respective schemes 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 19th November 2024 for the Irish Co-operative Societies' Pension Scheme 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 2024; the Actuary's Statement dated 3rd October 2024 for the Dairy Executives Pension Fund confirms that the actuary is reasonably satisfied that the Scheme continued to meet the Funding Standard and the Funding Standard Reserve as at 31st March 2024.

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 €510,347 (2023: €446,858).

24 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 2024

25 Net cash flows from operating activities

	2024 €	2023 €
Consolidated profit for the financial year	9,032,337	7,855,660
Adjustments for:		
Taxation charge in the Consolidated Income Statement	3,233,674	2,400,855
Interest payable & similar charges	1,372,050	1,533,139
Investment & other income	(1,732,852)	(1,955,151)
Share of operating results of associates and joint venture	(8,629,807)	(6,543,472)
Profit on sale of tangible fixed assets	(51,745)	(30,000)
Depreciation of tangible fixed assets	2,176,760	2,013,630
Amortisation of goodwill	521,725	469,392
Tax paid on operating activities (note 26)	(556,245)	(144,886)
Decrease in stocks	29,878	1,430,684
Decrease in debtors	6,909,917	388,856
Increase/(decrease) in creditors	1,370,774	(3,815,466)
Net cash inflow from operating activities	13,676,466	3,603,241

26 Tax paid

	2024 €	2023 €
Tax paid on operating activities	556,245	144,886
Tax paid on investing activities	246,407	18,679
	802,652	163,565

27 Components of cash and cash equivalents

	2024 €	2023 €
Cash at bank and in hand	8,422,939	8,784,737
	8,422,939	8,784,737

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

28 Capital commitments

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

	2024 €	2023 €
Contracted for:	4,977,500	1,253,000
Authorised but not contracted for:	-	60,000

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:

	2024 €	2023 €
Financial assets at fair value through the Consolidated Income Statement		
Listed fixed asset investments	18,346,040	6,087,195
Financial assets that are equity instruments measured at cost less impairment		
Unlisted fixed asset investments	500,160	874,934
Financial assets that are debt instruments measured at amortised cost		
Trade debtors (including Carbery balance)	35,656,258	42,988,384
Other debtors	354,551	304,963
Financial liabilities measured at amortised cost		
Trade creditors	17,495,728	16,142,033
Obligations under finance leases	71,213	256,731

30 Events after the reporting date

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

Drinagh Co-Operative Limited
Notes to the Financial Statements For the Year Ended 31 December 2024

31 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 from and (b) sales to the members of the Board of Directors and their families by the Society amounted to (a) €4,240,941 (2023: €3,271,678) and (b) €1,703,441 (2023: €1,560,057) respectively. At 31 December 2024 trading balances amounted to €241,907 (2023: €203,785).

Total sales to Carbery Creameries Limited for the year were €109.8M (2023: €96.0M).

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 2024 there were 12 monthly meetings, 4 special meetings, 4 audit committee meetings, 3 investment committee meetings 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:
Raymond Collins (until June '24)	14	2,902	Audit Committee (until June '24); Remuneration Committee (until June '24)
William Collins (until June '24)	12	2,476	Audit Committee (until June '24)
Derry Connolly (from June '24)	9	1,875	
Marguerite Crowley	21	4,645	Audit Committee (from June '24)
Sean Hayes (from March '24)	17	3,688	
John Hurley	23	5,033	Audit Committee; Remuneration Committee (from June '24)
Peter Kelly	19	6,023	Investment Committee (from June '24)
Donal McCarthy	28	6,950	Investment Committee; Remuneration Committee
Flor McCarthy (from June '24)	10	2,151	
Donal O'Connor (from June '24)	11	2,289	
James O'Donovan	20	4,404	Investment Committee
Michael John O'Donovan	20	4,311	Remuneration Committee
Peadar O'Driscoll	17	3,772	
Finn O'Mahony	22	5,509	Investment Committee (until June '24); Audit Committee (from June '24)
Jerry O'Neill	18	3,747	Remuneration Committee
Derry Scannell (until June '24)	11	2,373	Investment Committee (until June '24)
		<u>62,148</u>	

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 2024 amounted to €981,572 (2023: €935,486).

32 Contingent liabilities

Drinagh Co-operative GmbH (formerly a wholly owned subsidiary of Drinagh Co-operative Ltd), was sold in December 2020 and this sale was 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. It had been the subject of an arbitration process which concluded in favour of the purchaser. The German Courts, in a decision delivered in September 2024, found in favour of Drinagh Co-op; however, this decision, at the time of signing of these Financial Statements, is under appeal by the purchaser.

33 Analysis of changes in net funds/(debt)

	1 January 2024 €	Cash flows €	31 December 2024 €
Cash at bank and in hand	8,784,737	(361,798)	8,422,939
Obligations under finance leases	(256,731)	185,518	(71,213)
	<u>8,528,006</u>	<u>(176,280)</u>	<u>8,351,726</u>

34 Approval of financial statements

The Board of Directors approved the financial statements on the 25th April 2025.

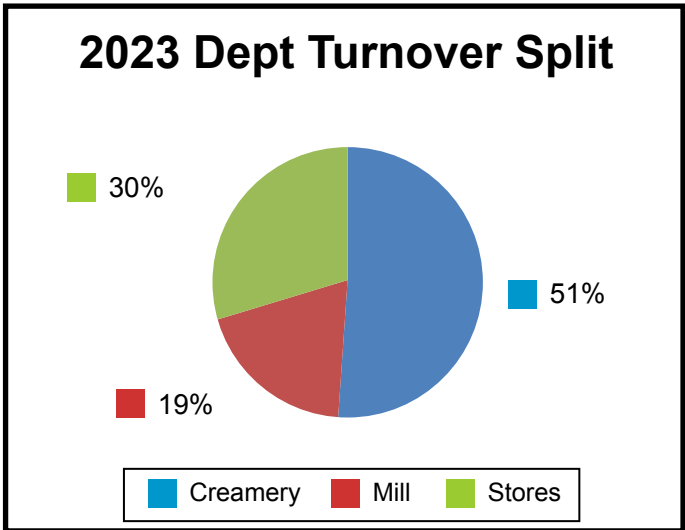
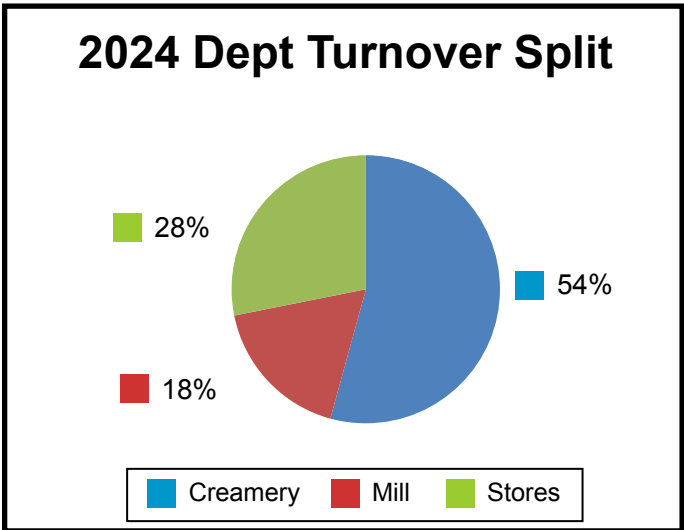
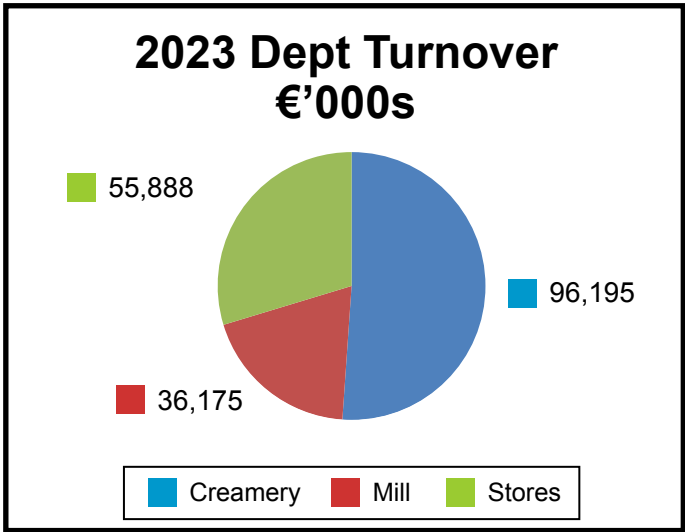
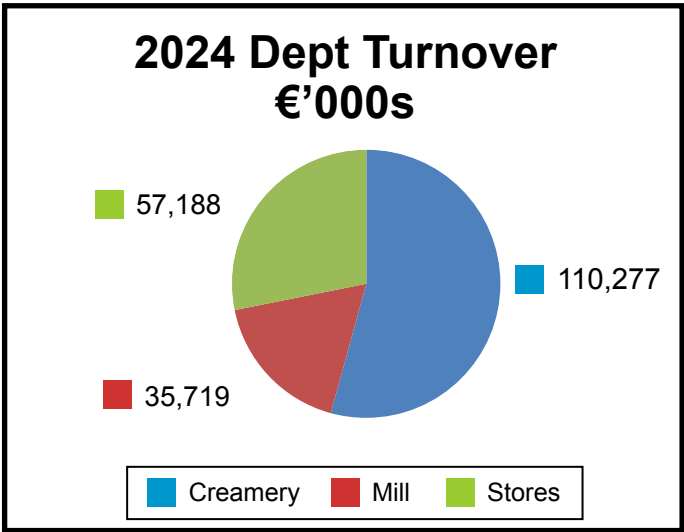


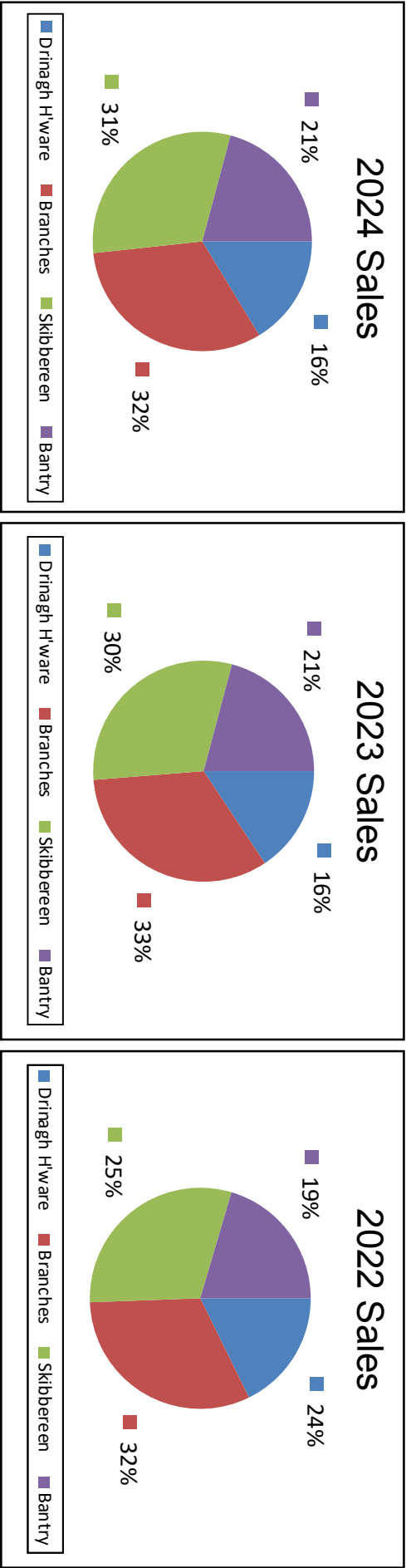
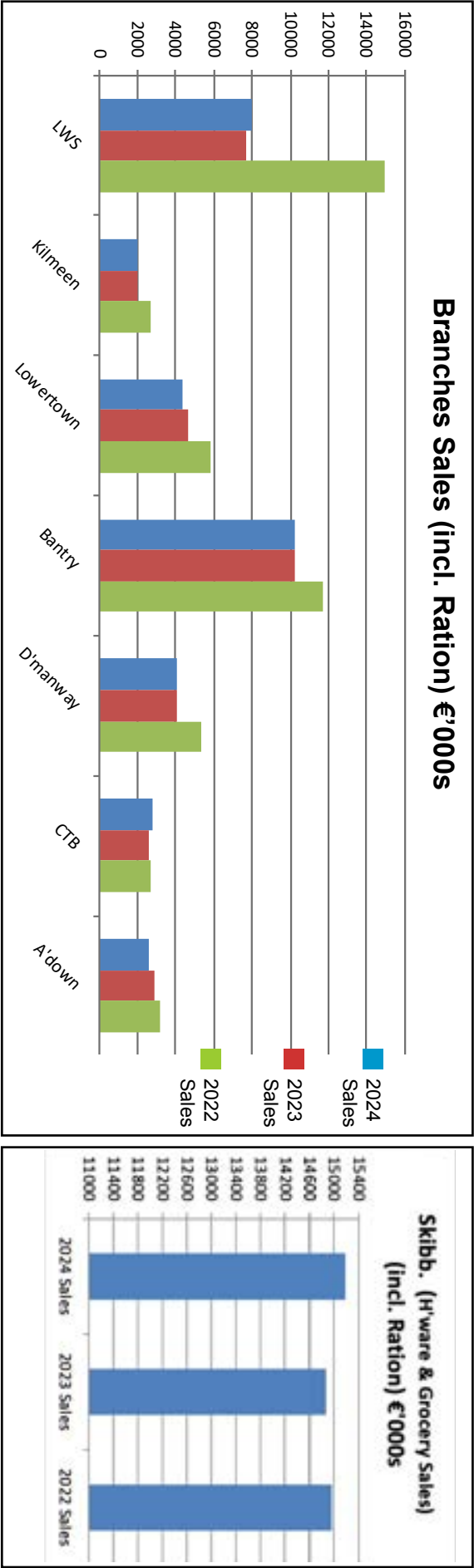
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Appendix I
Group Turnover

	2024	2023
	€	€
Creamery	110,277,100	96,194,758
Mill	35,718,694	36,174,538
Stores	57,188,333	55,887,882
Other Turnover	29,225	29,955
	<u>203,213,352</u>	<u>188,287,133</u>





Appendix II

Operating Costs Analysis

	2024	2023
	€	€
<u>Production Costs</u>		
Packaging	225,189	274,098
Fuel & Oil	110,523	89,211
Electricity	965,870	857,384
Laboratory Expenses	-	8,049
Cleaning, Protective Clothing & Pest Control	240,071	219,052
Maintenance, Repairs & Parts	852,327	762,854
	<u>2,393,980</u>	<u>2,210,648</u>
<u>Administrative Overhead</u>		
Rent, Rates & Insurance	511,409	595,578
Advertising, Printing & Stationery	182,827	187,325
Computer Services	395,281	331,987
Postage & Telephone	123,282	134,403
Audit, Legal & Consultancy	219,286	241,548
Committee Expenses	87,563	87,061
Centenary Costs	-	103,456
Sundries	79,479	72,093
Subscriptions	154,252	150,893
Provision for Bad Debts	(200,000)	-
	<u>1,553,379</u>	<u>1,904,344</u>

APPENDICES

Appendix III

Operating Profit + Share of Operating Results of Associate & Joint Venture

	2024					2023						
	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	3,275,402	8,491,618	8	138,181	-	11,905,209	3,291,031	6,735,542	(280,732)	88,662	-	9,834,503

Appendix IV

Investment & Other Income

	2024					2023						
	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	1,196,951	216,401	-	-	(28,913)	1,384,439	813,852	73,405	-	-	1,516	888,773
Fair Value Adjustment	522,821	-	-	-	-	522,821	809,832	-	-	-	-	809,832
Other Income	86,220	-	-	-	-	86,220	180,781	-	-	-	-	180,781
Rental Income	30,642	-	-	-	-	30,642	42,647	-	-	-	-	42,647
Other Finance Income	-	(291,270)	-	-	-	(291,270)	-	33,118	-	-	-	33,118
	1,836,634	(74,869)	-	-	(28,913)	1,732,852	1,847,112	106,523	-	-	1,516	1,955,151

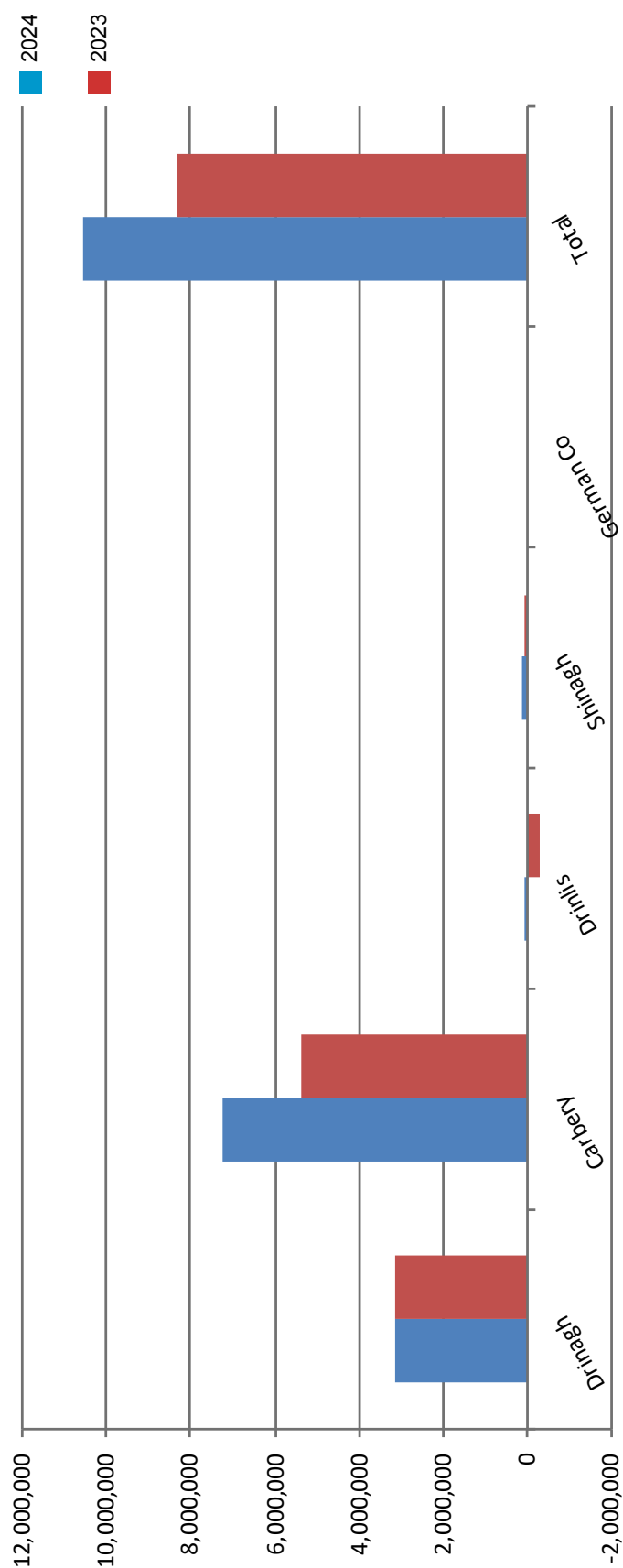
Appendix V

Interest Payable & Similar Charges

	2024					2023				
	Drinagh Co- Operative Ltd.	Carbery	Drinlis Properties	German Subsidiary	Total	Drinagh Co- Operative Ltd.	Carbery	Drinlis Properties	German Subsidiary	Total
	€	€	€	€	€	€	€	€	€	€
Bank Interest & Charges	143,041	1,229,009	-	-	1,372,050	141,509	1,391,630	-	-	1,533,139

Appendix VI

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



APPENDICES

Appendix VII

Movement in Profit & Loss Account

	2024						2023					
	Drinagh Co-Operative Ltd. €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €	Drinagh Co-Operative Ltd. €	Carbery €	Drinilis Properties €	Shinagh Estates €	German Subsidiary €	Total €
Operating Results (App III)	3,275,402	8,491,618	8	138,181	-	11,905,209	3,291,031	6,735,542	(280,732)	88,662	-	9,834,503
Investment & Other Income (App IV)	1,836,634	(74,869)	-	-	(28,913)	1,732,852	1,847,112	106,523	-	-	1,516	1,955,151
Interest Payable & Similar Charges (App V)	(143,041)	(1,229,009)	-	-	-	(1,372,050)	(141,509)	(1,391,630)	-	-	-	(1,533,139)
Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	(870,424)	(2,345,387)	-	(17,363)	-	(3,233,674)	(807,519)	(1,585,556)	6,306	(14,086)	-	(2,400,855)
Profit for the financial year	4,098,571	4,841,853	8	120,818	(28,913)	9,032,337	4,189,115	3,864,879	(274,426)	74,576	1,516	7,855,660
Dividends	(84,256)	(304,603)	-	-	-	(388,859)	(64,298)	(304,547)	-	-	-	(368,845)
Retained Profit for the Year	4,014,315	4,537,250	8	120,818	(28,913)	8,643,478	4,124,817	3,560,332	(274,426)	74,576	1,516	7,486,815
Remeasurement Gain/ (Loss) in Respect of Defined Benefit Pension Scheme	-	(121,704)	-	-	-	(121,704)	-	(102,085)	-	-	-	(102,085)
Deferred Tax on Actuarial (Gain)/Loss	-	11,623	-	-	-	11,623	-	(7,170)	-	-	-	(7,170)
Fair Value Investment Reserve Movement	(21,584)	-	-	-	-	(21,584)	(538,537)	-	-	-	-	(538,537)
Share of Hedge Instrument	-	-	-	-	-	-	-	-	-	-	-	-
Redemption Reserve Movement	(250,000)	(175,458)	-	-	-	(425,458)	-	(81,678)	-	-	-	(81,678)
Issue of Bonus Shares	(81,110)	-	-	-	-	(81,110)	(2,234,077)	-	-	-	-	(2,234,077)
Movement in Profit & Loss Account	3,661,621	4,251,711	8	120,818	(28,913)	8,005,245	1,352,203	3,369,399	(274,426)	74,576	1,516	4,523,268

Appendix VIII

Annual Comparatives

	2024	2023	2022	2021	2020
<u>Financial</u>					
Turnover	€000	203,213	188,287	237,305	171,918
Consolidated Profit for the Year after Tax	€000	9,032	7,856	8,248	10,496
Shareholders Funds	€000	194,323	183,231	177,384	167,652
<u>Statistical</u>					
Number of Milk Suppliers	No.	511	521	530	536
Milk Intake	Litres (Mill.)	210.7	212	218.6	213.7
Average Butterfat	%	4.31	4.29	4.25	4.20
Average Protein	%	3.58	3.54	3.56	3.52



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