Centenary Thurles
Co-operative Society Ltd

ANNUAL REPORT 2016

Always here
All together

Coming together
is a beginning;

keeping together
is progress;

working together
is success.

— Henry Ford

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Kevin Doyle
HAULAGE LTD
161-T-3349

GROWTH
& PROGRESS

Centenary Thurles Co-operative Society Ltd. is run by the local farming community for the mutual benefit of its members and the Society.

We deliver award-winning produce and a wide range of products and services across our three business units; Agri, Dairy and Home & Garden. The success of this long-standing partnership relies on the support of our shareholders and customers.

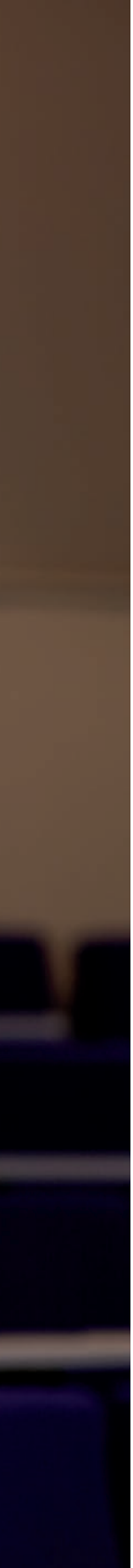
By choosing Centenary Thurles, it is a vote of confidence both in the Society and in the future of our entire farming community.

Support when it really matters

Local strength meets global challenges

For Centenary Thurles, 2016 was the year when members experienced the very real benefits of being part of a co-operative society. With global factors causing volatility across milk and grain prices, the Society was called upon and delivered much-needed financial support to our hard-hit suppliers and growers.

But despite the challenges, we managed to grow our milk supply over 7% to 142.3m litres. This, together with an average price of just below 28c per litre, was a significant achievement in an otherwise difficult year.



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Centenary Thurles Co-Operative Society Ltd. will be held on Thursday 8th June 2017 at Templemore Road, Thurles, at 8.30 p.m.

Agenda

- Minutes of the previous Annual General Meeting.
- To consider the Financial Statements for the year ended 31 December 2016 and the Report of the Auditors.
- The Election of Auditors for 2017.
- To consider the Board's recommendation on the issue of bonus shares.
- Any other business incidental to an Ordinary General Meeting.

By Order
Joe Kerrigan, *Secretary*
Date: 13th April 2017

From left to right:
Joe Kerrigan, Jim Russell,
Noreen Barry, Paddy Daly

General Society Information

Committee Members at 31st December 2016

Chairman
Jim Russell

Vice—Chairmen
Noreen Barry, Paddy Daly

Chief Executive/Secretary
Joe Kerrigan

Central
Patrick Blake, Moyneard
Jimmy Cummins, Grawn
Seán Dunne, Kylemakill
Robert Hayes, Leigh
John Hogan, Moyneard
Thomas Keogh, Rahealty
Pat Maher, Cooleeney
Michael Power, Piercetown

Ballyduag
Pat Cormack, The Islands

Loughmore
Ned Ryan, Whitefield
Tom Maher, Kilcoke

Cashel
John Cronin, Freighduff
Roger Kennedy, Camas
Noel O'Connor, Rathcowan
Brendan Ryan, The Commons

Littleton
John Bourke, Rathcunikeen
Pat Hogan, Horse & Jockey
Philip Kinane, Parkstown

Loran
Michael Delaney, Kilclareen
Michael Maher, Dromard
John Russell, Shanakill

Montore
Michael Hannon,
Lisnageragh, Brosna
Mervyn Stanley, Woodville
Jerry Sutton, Montore
Patrick Whyte, Ballystanley

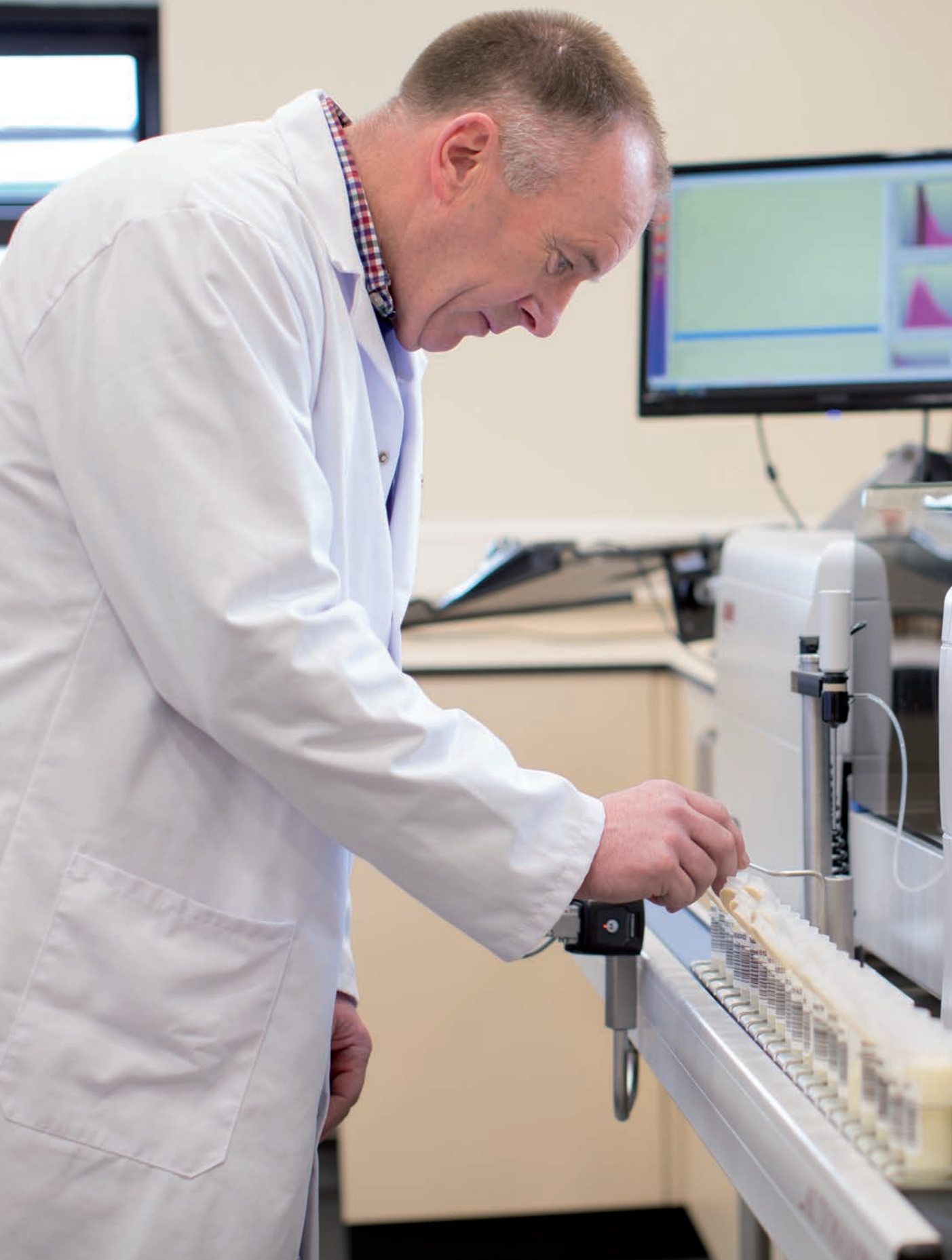
Templetuohy
Padraig Costigan, Toher
William Maher, Tullow

Castleiney
Gerry Laffan, Kilcurkee
Tim Maher, Kilcurkee

Killea
Michael Egan, Park
Pat Kennedy, College Hill

Drom
Denis Brereton, Knocka

Thurles
Jackie Cahill, Killinan
John Cahill, Kilrush
Con Callanan, Ardbawn
Martin Dillon, Lisnagrough
Philip Dwyer, Whitefort
James Finn, Ballinahow
Bill Flanagan, Galbertsown
Mary Purcell, Kilrush
Jerry Spillane, Galbertstown



Investing in our shared future

While the success of our Society to date has been built on the expertise, skills and hard-work of our people and the quality of our produce, we also know that any future achievements require continual investment and innovation.

Our new state-of-the-art laboratory in Ballyduff demonstrates our unwavering focus on improving milk quality, while ongoing upgrades across our Agri and Home & Garden businesses will keep us competitive and deliver future benefits to our customers and our stakeholders.

Playing to our strengths

Last year, the strength of the co-operative model was clearly demonstrated when the Society responded to the urgent needs of its members with financial support when it really mattered.

With a more promising outlook for 2017, plus a solid foundation thanks to years of excellent management of Centenary Thurles, we can look to the future with a measure of confidence in our plans and a renewed commitment to our members, their families and the community in which we work. Because we know that together we're stronger.

TIOBRAID ÁRANN
14
6
TIOBRAID ÁRANN
15

Chairman's Report

Jim Russell

2016 was a year when the Co-operative movement came into its own. Members and suppliers were supported at the expense of profitability in the sector. Centenary Thurles Co-Op was not found wanting, and I am proud of the role this Society played in providing much-needed financial support to our hard-pressed suppliers.

Whilst many would regard this as once-off support in a difficult year, we are committed to putting a fund aside to enable future downturns be dealt with, without major impact on the Society's finances or investment capabilities.

This time last year, the recovery in milk prices appeared a long way off. However, volatility applies in both directions and it was encouraging to see the milk price increases occurring monthly throughout the Autumn and Winter. We are now obviously in a far better place, but there are some concerns out there on the future stability of prices. Every 1c per litre movement will affect our suppliers' annual incomes to the tune of €1.5m, or in excess of €4,000 to the average supplier. This figure goes straight to the bottom line and can restrict or empower investment on farm, the ability to repay bank borrowings and indeed in some cases the ability to provide reasonably for one's family. The effect of low farm incomes cannot be overstated.

The challenges faced by our milk suppliers were mirrored by those growing corn. Again at the expense of profitability, we supported our growers financially with a price structure that at best was subsistence for most. Last year I questioned the sustainability of this sector with the prices being achieved. My view remains unchanged after now 4 years of low prices, with similar levels forecast for 2017.

Sterling weakness following the Brexit vote impacted significantly on beef sector returns which had up to that point performed reasonably well. A strong recovery in the pig sector throughout the year leaves it in a reasonably strong position today, for the first time in many years. The sheep sector maintained the recovery from 2015 and returns were relatively good. Input costs in general reduced with the average cost of oil, feed and fertiliser lower than that of the previous year.

Brexit remains a great challenge to Irish agriculture with Article 50 now triggered by the UK Government and an impending General Election on the date of our AGM. Whilst most commentators talk about uncertainty, what is certain is the challenge faced by our industry, that of growing output into a potentially shrinking world market. The impact of the Russian ban is still being felt in many sectors and a further shrinkage in the market place could have devastating effects. The protection of farm incomes is paramount in all negotiations but there is a strong and genuine fear that political solutions found over the coming years, despite all the rhetoric, will ignore the concerns of Irish agriculture.

Financial Performance

The format of the Profit and Loss Account has been changed this year to reflect the exceptional price support provided by the Society during 2016. Whilst the Society in general does its best to support suppliers annually and has loyalty bonus schemes in place for those purposes, a further €1.25m in exceptional support was provided during 2016. Needless to say, that exceptional support of more than €1m for milk suppliers and more than €200,000 for grain had an impact on profitability.

Our turnover for 2016, as forecast, declined from €79.5m to €76.2m. Milk volumes and feed and fertiliser volumes all increased over 2015 levels, the reduction in turnover attributable to reduced prices across the board.

Gross Profit pre-exceptional increased by €300,000 to €11.1m. Overheads reduced by €91,000 with a further significant improvement in provisions for slow-moving debtors. Operating profit was €838,000, with the exceptional support converting this to a loss of €412,000. Other Income generated amounted to €1.1m, in excess of €400k coming from special Glanbia Co-Op dividends issued to all shareholders arising from the disposal of Glanbia plc shares.

The volatility in stock markets resulted in a paper reduction in the value of our investments of €1.6m. Arzyta, Glanbia and One51 share prices all declined during the year and this impact is now shown on the Profit and Loss Account, as required by Financial Reporting Standard 102. At the time of writing, the declines in Glanbia and One51 have reversed but the Aryzta share price has fallen further. We have continued to de-risk our shareholdings in an effort to minimise risk. A loss for the year after tax of €734,000 is reported with the reduction in the value of investments and the exceptional price support being the principle contributors.

Equity Shareholders' Funds on the Balance Sheet now stand at €54.4m, a decline from €54.8m at 31st December 2015.

Our particular focus on improving milk quality to the betterment of suppliers seems to have been embraced by most.

Milk Review

Another record was set in 2016 as our milk supply grew more than 7% to 142.3m litres. Further growth is anticipated over the coming years. Our average manufacturing price paid in 2016 declined by 2.9c per litre to 27.86c. Ornua made a gesture to suppliers during the year in suspending their milk levy, saving suppliers 0.1c across the year. All in all given the well-publicised difficulties in the dairy sector, an average price so close to 28c represents a significant achievement for the Society. Average Butterfat increased by 0.074% to 4.033% but Protein declined by 0.047% to 3.465%.

A significant development during the year was an investment in a new state-of-the-art laboratory in Ballyduff. The investment will provide a better service, through more frequent automated testing and an extended range of tests that can be carried out. We have also extended our support services to suppliers to enable them better deal with milk expansion and milk quality issues. Our focus is on the provision of better information to improve returns for suppliers. 2017 will see the roll out of our milk mobile app and self-service option for accessing accounts on-line.

Our particular focus on improving milk quality to the betterment of suppliers seems to have been embraced by most. Our average Somatic Cell Count has reached a new record low of 203. This is a reduction from the 217 recorded in 2015, but going back to 2009, which was also a difficult year for milk price, the level was as high as 339. I would like to acknowledge our suppliers' efforts in tackling this issue, leading to better output on farms through improved cow health. TBC levels continue to improve but more work needs to be done on some holdings.

Our 5th Annual Milk Quality Award winner was recently announced and for 2016, Nicholas & Philip Thornton of Beechwood, Dualla were the proud winners of the Eddie Dwan Memorial Cup.

2017 will see an additional focus on ensuring certification from all suppliers under the Bord Bia Sustainable Dairy Assurance Scheme. Certification is now compulsory for all suppliers.

Stores Review

Despite the difficult year in the agri-sector, I am pleased to report increased volumes of feed and fertiliser sold. Falling prices during the year reduced our headline turnover figure by €1.3m to €30.27m. Our upgrading and rebranding programme continued apace with both Roscrea and Cashel completed during the year. Our ongoing investment in improvements does impinge on margins, which remain tight, but our focus remains on competitiveness, range and service.

Feed & Grain Review

Feed output from our mill advanced by 8% with further increases targeted for the coming years. Retail prices fell €20-23 per tonne during the year, alleviating somewhat the pressure from lower farm output prices. Dairy feed sales grew 13% in line with predictions following the removal of milk quotas. Beef feed sales showed only a moderate increase. We completed a €1m investment in our mill during 2016 and have paused for breath for 2017, whilst we develop our next 5-year plan for Capital Investment. There is a real growth opportunity available to us and we plan to have our production facilities in ship-shape to take advantage.

It is safe to say that we led the country on grain pricing last year. We announced a retention of 2015 prices despite market forces suggesting prices should be at least €12 below. In formulating feed prices, we had to adopt market prices to remain competitive so the €12 per tonne extra paid out was a genuine price support. Of course it was still not a price that growers would have aspired to, but our support in such a difficult year was appreciated. The tillage business is changing with some growers opting out and others scaling back. Our intake was back 4,400 tonnes or 20% last year. The reduction ensured we could keep all supply in Ballyduff with no recourse to outside storage. The carry-over from the bumper 2015 harvest ensured we would have sufficient native cereals for inclusion in our animal feed manufacturing up until the 2017 harvest arrives.

Liquid Milk Review

In common with other years when milk prices are low, our Thurles Fresh Milk business performed satisfactorily with a reasonable level of profitability reported. That however masks the significant challenge that lies ahead to protect volumes and margins. Whilst volumes remained relatively stable in 2016, it is clear that the attainment of significant additional volume will only come with a marginal contribution to the business. The prevailing milk price then is a major determinant of financial success or otherwise.

Stockproof Fencing Products

Stockproof had another excellent year in 2016 with nett profit reported on similar lines to 2015.

Bramblemore

Eternally optimistic for our pig business, performance was no more than adequate in 2016. A small cash profit was more than eaten up in depreciation costs, but strong increases in price throughout the year have left us in a good position at the time of writing for 2017. A decline in output of 3% was disappointing in 2016 and measures have been taken in an effort to improve efficiency and output going forward. Feed price reductions were also most welcome.

Agricultural Scholarships

Our Agricultural Scholarship Scheme continued during 2016 and the following applicants were awarded €750 each:

Matt Murphy, Thurles
Kildalton Agricultural College

Niall Molony, Thurles
Kildalton Agricultural College

Michael Bergin, Horse and Jockey
Kildalton Agricultural College

Brendan Fitzpatrick, Clonmore
Kildalton Agricultural College

Shane Ryan, Borrisoleigh
Gurteen Agricultural College

Tom Meade, Templetuohy
Kildalton Agricultural College

Eoghan Hayes, Two Mile Borris
Kildalton Agricultural College

Bonus Shares

The Committee Policy of issuing Bonus Shares based on Milk Supply, Grain Supply and Trading with the Society continued in 2016 and a similar proposal will be put to the AGM for 2017.
Last year, we issued 376,821 Bonus Shares, with in excess of 300,000 shares based on trading and averaging 5 to 6 €1 shares per tonne of feed and fertiliser purchased. The value of same has the capacity for further augmentation through spin-outs etc. The simple message is that the loyalty of our customers is worthwhile, recognised and reciprocated.

We will continue to invest in our business for the future benefit of all stakeholders.

Health & Safety Policy

A thorough policy statement on safety, health and welfare at work has been prepared and is regularly updated. It is the policy of the Society that the well-being of its employees is protected through the implementation and review of this policy statement.

Outlook for 2017

The outlook for 2017 is significantly more promising than it was this time last year. However, any forecasts have to be made with a degree of caution given the political uncertainty across the globe, not least with our closest neighbours. The extent and speed of the recovery in milk prices in the second half of last year was unforeseen. That makes predictions difficult, but I am confident at the time of writing that the overall average milk price for 2017 will be at sustainable levels. Grain price recovery, whilst it does exist, still lags behind what is required by the sector. History has again taught us that there can be significant volatility over a short period of time, and as output is sold in the main once per year, that risk passes to both seller and purchaser who must live with the price until the following harvest.

The financial performance of the Society should improve as we do not envisage any exceptional items occurring. Turnover will improve across all sectors and costs will be managed tightly, to retain as much as we can within the Society to the ultimate benefit of shareholders. Investment performance and income will have a major impact on results again.

We will continue to invest in our business for the future benefit of all stakeholders. It is worth recapping that over recent years we have invested heavily in our branch network, our feed mill at Ballyduff, offices at Thurles, our piggery near Burncourt, our Lab at Ballyduff, milk collection tankers, technology and staff. Your Society has been managed over the years in such a way as to allow that investment to happen, and I would like to acknowledge the support given to me during 2016 as Chairman, and the support for the ventures outlined above, of our Vice-Chairmen, Paddy Daly and Noreen Barry.

Similarly we have made a number of changes to the structures of our business and I would like to express my appreciation to management and staff for embracing the challenges and contributing to the success of the Society. On a sadder note, we lost two committed members of staff during 2016, both based in Thurles. Una Tierney and Pat McEntee passed away after short illnesses and their untimely deaths left a huge void in the Society.

We would have no business but for our substantial number of regular and loyal customers who entrust us with their custom. We are most grateful to you. To our shareholders for their input, not least in electing a dedicated Committee of Management, I am also grateful. To that Committee who work to ensure this Society thrives and is cognisant of customer and shareholder needs, I thank you for your support and contribution during 2016.

We would have no business but for our substantial number of regular and loyal customers who entrust us with their custom. **We are most grateful to you.**

Five Year
Financial Review

	2016 €,000	2015 €,000	2014 €,000	2013 €,000	2012 €,000
Dairy turnover	41,766	43,803	46,021	46,796	37,005
Agricultural goods turnover	32,991	34,261	33,779	40,946	36,371
Pig turnover	1,461	1,471	1,194	39	1,450
Total turnover	76,218	79,535	80,994	87,781	74,826
Operating profit	(412)	422	831	1,838	746
Profit before tax	(914)	1,375	7,154	4,391	748
Taxation	(180)	727	1,439	924	214
Retained profit	(734)	648	5,715	3,467	534
Equity shareholders' funds	54,379	54,811	52,704	35,128	30,330
No. of milk suppliers	352	363	366	364	372

2016 Finances

Centenary Thurles Co-operative Society Ltd.

Consolidated Financial Statements for the year ended 31st December 2016

Committee of Management
Responsibility Statement

The Committee of Management is required by legislation to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that year.

In preparing the financial statements, the Committee of Management 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;
- Prepare the financial statements based on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Committee of Management is responsible for maintaining proper books of account which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1893 to 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Committee of Management is also responsible for preparing the Annual Report and ensuring that it complies with the requirements of the Industrial and Provident Societies Acts 1983 to 2014.

The Committee of Management is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Jim Russell, *Chairman*
Joe Kerrigan, *Secretary*
10th April 2017

Auditors' Report

We have audited the Group consolidated financial statements of Centenary Thurles Co-Operative Society Limited for the year ended 31 December 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Co-Op Balance Sheet, the Consolidated Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Society's members. 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.

Respective responsibilities of the Committee of Management and Auditors

As explained more fully in the Committee of Management Responsibility Statement set out on page 26, the Committee of Management are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2016 and of its profits for the year then ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Matters on which we are required to report by the Industrial and Provident Societies Acts 1893 to 2014

As required by Section 13 (2) of the Industrial and Provident Societies Acts 1893 to 2014 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.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under International Standards on Auditing (ISAs) (UK & Ireland). International Standards on Auditing (ISAs) (UK & Ireland) require that we report to you, if based on the knowledge we acquired during the course of our audit, we have identified information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Russell Brennan Keane Partnership
Chartered Accountants and Registered Auditors
RBK House, Irishtown, Athlone, Co. Westmeath

10th April 2017

Consolidated Profit and Loss Account for the year ended 31st December 2016

	Notes	2016 Pre exceptional	2016 Exceptional price support (Note 7)	2016 Total	2015 Total
		€	€	€	€
Turnover — continuing activities	3	76,217,852	—	**76,217,852**	**79,534,727**
Cost of sales		(65,054,441)	(1,250,098)	**(66,304,539)**	**(68,696,604)**
Gross profit		11,163,411	(1,250,098)	**9,913,313**	**10,838,123**
Operating costs		(8,851,306)	—	(8,851,306)	(9,050,996)
Administrative expenses		(1,473,836)	—	(1,473,836)	(1,365,414)
Operating profit/(loss) — continuing activities		838,269	(1,250,098)	**(411,829)**	**421,713**
Other operating income	8	1,095,743	—	1,095,743	739,841
Fair value movements	9	(1,597,836)	—	(1,597,836)	213,966
Profit / (loss) before tax		336,176	(1,250,098)	**(913,922)**	**1,375,520**
Tax on profit / (loss)	10	179,907	—	179,907	(727,259)
Profit /(loss) for the year		**516,083**	**(1,250,098)**	**(734,015)**	**648,261**

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material. The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Consolidated Statement of Comprehensive Income for the year ended 31st December 2016

	2016 €	2015 €
Profit/(loss) on ordinary activities after taxation	**(734,015)**	**648,261**
Other comprehensive income		
Actuarial gain on pension obligations	365,697	1,636,068
Movement on deferred tax relating to pension (gain)/loss	(45,712)	(204,508)
Other comprehensive income for the year	319,985	1,431,560
Total comprehensive income for the year	**(414,030)**	**2,079,821**

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Consolidated Balance Sheet as at 31st December 2016

	Notes	2016 €	2015 €
Fixed assets			
Tangible assets	11	15,528,663	15,027,582
Investments	12	27,508,453	28,849,785
		43,037,116	43,877,367
Current assets			
Stocks	13	9,163,098	9,556,203
Debtors	14	9,715,600	9,417,267
Cash at bank and in hand	15	4,017,649	4,852,639
		22,896,347	23,826,109
Creditors: amounts falling due within one year	16	**(4,641,908)**	**(4,843,372)**
Net current assets		**18,254,439**	**18,982,737**
Total assets less current liabilities		**61,291,555**	**62,860,104**
Creditors: amounts falling due after more than one year	17	**(129,418)**	**(140,345)**
Deferred tax liability	18	**(6,162,051)**	**(6,835,669)**
Net assets excluding pension liability		**55,000,086**	**55,884,090**
Pension liability	24	(621,463)	(1,073,000)
Net assets including pension liability		**54,378,623**	**54,811,090**
Capital and reserves			
Called up share capital	20	6,355,411	5,997,027
Share premium account	19	5,481,676	5,481,676
Capital reserve	19	15,510	15,510
Other reserves	19	12,006,903	13,868,332
Profit and loss account		30,519,123	29,448,545
Equity shareholders' funds		**54,378,623**	**54,811,090**

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Co-op Balance Sheet as at 31st December 2016

	Notes	2016 €	2015 €
Fixed assets			
Tangible assets	11	9,255,088	8,835,169
Investments	12	27,538,252	28,879,583
		36,793,340	37,714,752
Current assets			
Stocks	13	30,163	30,008
Debtors	14	19,862,095	26,688,597
Cash at bank and in hand	15	1,380,625	3,835,614
		21,272,883	**30,554,219**
Creditors: amounts falling due within one year	16	**(4,904,479)**	**(13,120,779)**
Net current assets		**16,368,404**	**17,433,440**
Total assets less current liabilities		**53,161,744**	**55,148,192**
Provision for liabilities			
Deferred tax	18	(6,144,231)	(6,883,506)
Pension liability		(174,270)	(362,450)
Net assets		**46,843,243**	**47,902,236**
Capital and reserves			
Called up share capital	20	6,355,411	5,997,027
Share premium account	19	5,481,676	5,481,676
Capital reserve	19	15,510	15,510
Other reserves	19	12,006,903	13,868,332
Profit and loss account		22,983,743	22,539,691
Equity shareholder's funds		**46,843,243**	**47,902,236**

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Consolidated Statement of Changes in Equity as at 31st December 2016

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 January 2016	**5,997,027**	**5,481,676**	**15,510**	**13,868,332**	**29,448,545**	**54,811,090**
Profit/(loss) for the year	—	—	—	—	(734,015)	(734,015)
Actuarial gains on pension scheme	—	—	—	—	319,985	319,985
Transfer to/ from other reserves					1,861,429	1,861,429
Capitalisation/bonus issue	—	—	—	—	(376,821)	(376,821)
Shares issued/ bonus shares issued during the year	403,758	—	—	—	—	403,758
Shares redeemed during the year	(45,374)	—	—	—	—	(45,374)
Fair value adjustment on disposals	—	—	—	(1,480,968)	—	(1,480,968)
Deferred tax adjustment on disposal				488,719		488,719
Fair value movements	—	—	—	(1,297,283)	—	(1,297,283)
Deferred tax on fair value movements	—	—	—	428,103	—	428,103
At 31 December 2016	**6,355,411**	**5,481,676**	**15,510**	**12,006,903**	**30,519,123**	**54,378,623**

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
Jim Russell *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 37–55 form part of these Accounts.

Consolidated Statement of Changes in Equity as at 31st December 2015

	Share capital	Share premium	Capital reserve	Other reserves (As restated)	Retained earnings (As restated)	Total equity
	€	€	€	€	€	€
At 1 January 2015 (as previously stated)	5,847,583	5,481,676	15,510	—	26,309,050	37,653,819
Prior year adjustment	—	—	—	15,049,744	—	15,049,744
At 1 January 2015 (as restated)	**5 ,847,583**	**5,481,676**	**15,510**	**15,049,744**	**26,309,050**	**52,703,563**
Profit for the year	—	—	—	—	648,261	648,261
Actuarial gains on pension scheme	—	—	—	—	1, 431,560	1,431,560
Transfer to/ from other reserves	—	—	—	—	1,181,414	1,181,414
Capitalisation/bonus issue	—	—	—	—	(121,740)	(121,740)
Shares issued/ bonus shares issued during the year	168,089	—	—	—	—	168,089
Shares redeemed during the year	(18,645)	—	—	—	—	(18,645)
Fair value adjustment on disposals	—	—	—	(2,426,967)	—	(2,426,967)
Deferred tax adjustment on disposal	—	—	—	800,899	—	800,899
Fair value movements	—	—	—	663,665	—	663,665
Deferred tax on fair value movements	—	—	—	(219,009)	—	(219,009)
At 31 December 2015	**5,997,027**	**5,481,676**	**15,510**	**13,868,332**	**29,448,545**	**54,811,090**

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Company Only Statement of Changes in Equity as at 31st December 2016

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 January 2016	**5,997,027**	**5,481,676**	**15,510**	**13,868,332**	**22,539,691**	**47,902,236**
Loss for the year	—	—	—	—	(1,171,297)	(1,171,297)
Actuarial gains on pension scheme	—	—	—	—	130,741	130,741
Transfer to/ from other reserves	—	—	—	—	1,861,429	1,861,429
Capitalisation/bonus issue	—	—	—	—	(376,821)	(376,821)
Shares issued/ bonus shares issued during the year	403,758	—	—	—	—	403,758
Shares redeemed during the year	(45,374)	—	—	—	—	(45,374)
Fair value adjustment on disposal	—	—	—	(1,480,968)	—	(1,480,968)
Deferred tax adjustment on disposal	—	—	—	488,719	—	488,719
Fair value movements	—	—	—	(1,297,283)	—	(1,297,283)
Deferred tax on fair value movements	—	—	—	428,103	—	428,103
At 31 December 2016	**6,355,411**	**5,481,676**	**15,510**	**12,006,903**	**22,983,743**	**46,843,243**

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Jim Russell *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 37–55 form part of these Accounts.

Company Only Statement of Changes in Equity as at 31st December 2015

	Share capital	Share premium	Capital reserve	Other reserves (As restated)	Retained earnings (As restated)	Total equity
	€	€	€	€	€	€
At 1 January 2015 (as previously stated)	5,847,583	5,481,676	15,510	—	20,613,012	31,957,781
Prior year adjustment	—	—	—	15,049,744	—	15,049,744
At 1 January 2015 (as restated)	**5,847,583**	**5,481,676**	**15,510**	**15,049,744**	**20,613,012**	**47,007,525**
Profit for the year	—	—	—	—	295,200	295,200
Actuarial gains on pension scheme	—	—	—	—	571,805	571,805
Transfer to/ from other reserves					1,181,414	1,181,414
Capitalisation/bonus issue	—	—	—	—	(121,740)	(121,740)
Shares issued/ bonus shares issued during the year	168,089	—	—	—	—	168,089
Shares redeemed during the year	(18,645)	—	—	—	—	(18,645)
Fair Value adjustment on disposal	—	—	—	(2,426,967)	—	(2,426,967)
Deferred tax adjustment on disposal	—	—	—	800,899	—	800,899
Fair value movements	—	—	—	663,665	—	663,665
Deferred tax on fair value movements	—	—	—	(219,009)	—	(219,009)
At 31 December 2015	**5,997,027**	**5,481,676**	**15,510**	**13,868,332**	**22,539,691**	**47,902,236**

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Consolidated Cash Flow Statement for the year ended 31st December 2016

	2016 €	2015 €
Cash flows from operating activities		
Operating profit/(loss)	(411,829)	421,713
Adjustments for:		
Depreciation	1,103,876	1,021,761
Amortisation of capital grant	(10,927)	(10,927)
(Increase)/decrease in stocks	393,105	(464,302)
(Increase)/decrease in debtors	(95,611)	(1,088,188)
(Decrease)/increase in creditors	556,729	(370,659)
Pension payments on defined benefit pension scheme	(335,081)	(330,724)
Other non - cash movements on defined benefit pension scheme	230,609	269,000
Corporation Tax	(1,500,338)	181,466
Net cash generated from operating activities	**(69,467)**	**(370,860)**
Cash flows from investing activities		
Payments to acquire tangible assets	(1,635,804)	(1,289,321)
Payments to acquire investments	(1,629,124)	(3,715,665)
Receipts from sales of investments	1,372,619	3,203,832
Net cash proceeds from sale of assets	46,224	34,682
Interest received	9,299	30,307
Dividends received	1,073,875	726,550
Rental income	12,998	12,798
Sundry income	2,827	2,918
Net cash from investing activities	**(747,086)**	**(993,899)**
Cash flows from financing activities		
Issue of ordinary share capital	26,937	46,349
Repurchase of ordinary share capital	(45,374)	(18,645)
Net cash used in financing activities	**(18,437)**	**27,704**
Net (Decrease) in cash and cash equivalents	**(834,990)**	**(1,337,055)**
Cash and cash equivalents at beginning of the year	4,852,639	6,189,694
Cash and cash equivalents at end of the year	4,017,649	4,852,639

The financial statements were approved by the board on 10th April 2017 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 37–55 form part of these Accounts.

Notes to the Consolidated Financial Statements
for the year ended 31st December 2016

1. Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Industrial and Provident Societies Acts 1893 to 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- The Society has transferred the significant risks and rewards of ownership to the buyer;
- The Society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the Society will receive the consideration due under the transaction;
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost included expenditure that is 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight- line method. The estimated useful lives range as follows:

Buildings	-	4 - 10 % Straight Line
Machinery	-	10 - 15 % Straight Line
Fixtures & Equipment	-	10 - 20 % Straight Line
Transport	-	10 - 20 % Straight Line

The assets' residual values, useful lives and depreciation methods are viewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.4. Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Investments in listed company shares are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period

1.5. Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less cost to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.6. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8. Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

1.9. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10. Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

1.11. Pensions

The Group operates various defined benefit and contribution pension schemes.
Contributions to the defined contribution schemes are charged to the accounts as incurred.

The defined benefit scheme provides benefits based on the final pensionable salary. Defined benefit pension scheme assets are measured using bid prices. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on bonds. The increase in the present value of liabilities of the Group defined benefit pension scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme assets and the increase during the period in the present value of the schemes liabilities arising from the passage of time, are included in other finance income. Actuarial gains and losses are recognised in the statement of comprehensive income. The group defined benefit pension scheme is closed to new members.

The Society is also a member of The Irish Co-Operative Societies Pension Scheme (ICSPS). This scheme is classified as a multi-employer scheme. Under FRS102, multi-employer plans are those where the participating employers are not under common control. Multi-employer plans are classified as defined benefit or defined contribution depending on the basis of the terms of the plan, but where sufficient information is not available to use defined benefit accounting, multi-employer plans can continue to account for the plan as a defined contribution plan. Where the employer participates in a defined benefit plan that is accounted for as if the plan were a defined contribution plan and the employer has entered into an agreement to fund a deficit, the employer is required to recognise a liability for the deficit contributions and the resulting expense in the profit and loss account.

1.12. Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.13. Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associatedtax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.14. Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in the creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

1.15. Exceptional item

The Society discloses exceptional items where in the opinion of the Committee of Management a separate disclosure is required to provide clarity on the financial statements.

1.16. Basis of consolidation

The Group Accounts incorporate the financial statements of Centenary Thurles Co-Operative Society Limited and its subsidiaries. Subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Inter-group balances and transactions have been eliminated on consolidation.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Committee of Management consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

Impairment of trade debtors

The Group trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The Group uses estimates based on historical 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.

Useful lives of tangible fixed assets

Assets, comprising primarily of property, plant and machinery represent a significant portion of fixed assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives Management consider physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year.

Defined benefit pension scheme

The deficit on the defined benefit pension scheme is determined based on a number of key estimates, the discount rate at the year end, mortality rates and inflation rates. Changes in these assumptions will have an impact on the scheme. Although the plan assets are expected to provide a good hedge against inflation over the long-term, movements over the short term could lead to further deficits emerging.

In the event that members live longer than assumed a further deficit will emerge in the scheme.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and quoted investments.

Going concern

After making enquiries and considering the outlook referred to in the Chairman's Statement, the Committee of Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. Turnover

	2016 €	2015 €
Milk	41,766,231	43,802,731
Agri Business	32,990,944	34,261,455
Pigs	1,460,677	1,470,541
	76,217,852	**79,534,727**

The total turnover of the Society for the year has been derived from its principal activity wholly undertaken in Ireland.

4. Profit on ordinary activities before taxation

	2016 €	2015 €
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation	1,103,876	1,021,761
Staff costs (**Note 5**)	5,213,821	5,316,099
Audit fees	48,000	48,000

5. Employees

	2016 No.	2015 No.
Number of employees		
The average weekly numbers of employees during the year were:		
Production and transport	28	30
Sales	73	70
Administration	21	21
	122	**121**

Employment costs	2016 €	2015 €
Wages and salaries	4,522,867	4,588,032
Social welfare costs	460,345	459,067
Pension service costs	230,609	269,000
	5,213,821	**5,316,099**

6. Key management personnel compensation

	2016 €	2015 €
The total benefits paid to key management personnel during the year are analysed below:		
Salary	825,821	778,206
Benefit-in kind	23,349	22,649
Current service costs of pension schemes	132,978	154,613
Committee members fees	37,946	—
Total	**1,020,094**	**955,468**

7. Exceptional price support

	2016 €	2015 €
Centenary Thurles Co-Operative Society Limited offered exceptional price support to members during the year as follows:		
Feed and grain	215,546	—
Milk price and bonus	1,034,552	—
	1,250,098	**—**

8. Other operating income

	2016 €	2015 €
Deposit interest	9,299	30,307
Dividends	1,073,875	726,550
Profit on disposal of fixed assets	15,377	13,269
Rental income	12,998	12,798
Sundry income	2,827	2,918
Interest on pension scheme liabilities	(18,633)	(46,001)
	1,095,743	**739,841**

9. Fair value movements

	2016 €	2015 €
Fair value movement on investments	(1,297,283)	663,665
Fair value adjustment on disposal of investments	(300,553)	(449,699)
	(1,597,836)	**213,966**

10. Taxation

	2016 €	2015 €
Corporation tax		
Current year	(539,424)	(999,251)
Prior year	—	(53,983)
	(539,424)	**(1,053,234)**
Deferred tax		
Current year	719,331	325,975
	179,907	**(727,259)**

Factors affecting tax charge for the year	2016 €	2015 €
The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2015: 12.5%) as set out below:		
Profit/(loss) on ordinary activities before Tax	(913,922)	1,375,520
Profit/(loss) on ordinary activities multiplied by standard rate for the year of 12.5% (2015:12.5%)	(114,240)	171,940
Effects of:		
Depreciation in excess of capital allowances	31,192	46,322
Pension adjustments	(2,156)	(942)
Income taxed at non-standard rates	89,626	58,649
Other timing differences	(5,422)	(7,273)
Expenses not deductible for tax purposes	8,515	4,882
Chargeable gains	290,446	774,997
Non taxable income	(11,290)	(11,318)
Adjustments in respect of prior period	—	53,983
Losses carried back to a prior period	60,452	—
Fair value adjustments	199,730	(26,746)
Foreign income	(7,429)	(11,260)
Deferred tax	(719,331)	(325,975)
Current year taxation	**(179,907)**	**727,259**

11. Tangible fixed assets consolidated

	Land & Buildings €	Machinery €	Fixtures & Equipment €	Transport €	Total €
Cost					
At 1st January 2016	19,000,132	8,692,691	3,450,753	3,001,564	34,145,140
Additions	144,190	278,749	795,889	416,976	1,635,804
Disposals	—	(634)	(142,671)	(475,777)	(619,082)
At 31st December 2016	**19,144,322**	**8,970,806**	**4,103,971**	**2,942,763**	**35,161,862**
Depreciation					
At 1st January 2016	6,187,089	7,537,271	2,910,466	2,482,732	19,117,558
Charge for the year	493,343	162,014	253,152	195,367	1,103,876
On disposals	—	(634)	(142,672)	(444,929)	(588,235)
At 31st December 2016	**6,680,432**	**7,698,651**	**3,020,946**	**2,233,170**	**19,633,199**
Net book values					
At 31st December 2016	**12,463,890**	**1,272,155**	**1,083,025**	**709,593**	**15,528,663**
At 31st December 2015	12,813,043	1,155,420	540,287	518,832	15,027,582

Included in Land & Buildings cost is €12,624,850 in respect of depreciable buildings

	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2015	18,586,324	8,312,862	3,290,682	2,905,554	33,095,422
Additions	413,808	394,829	254,617	226,067	1,289,321
Disposals	—	(15,000)	(94,546)	(130,057)	(239,603)
At 31st December 2015	**19,000,132**	**8,692,691**	**3,450,753**	**3,001,564**	**34,145,140**
Depreciation					
At 1st January 2015	5,694,013	7,362,997	2,818,128	2,438,849	18,313,987
Charge for the year	493,076	187,274	186,498	154,913	1,021,761
On disposals	—	(13,000)	(94,160)	(111,030)	(218,190)
At 31st December 2015	**6,187,089**	**7,537,271**	**2,910,466**	**2,482,732**	**19,117,558**
Net book values					
At 31st December 2015	**12,813,043**	**1,155,420**	**540,287**	**518,832**	**15,027,582**
At 31st December 2014	12,892,311	949,865	472,554	466,705	14,781,435

Included in Land & Buildings cost is €12,522,566 in respect of depreciable buildings

Co-op tangible fixed assets	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2016	10,746,483	77,992	1,271,558	1,880,745	13,976,778
Additions	141,090	—	484,538	226,463	825,091
Disposals	—	(634)	(142,091)	(317,051)	(459,776)
At 31st December 2016	**10,887,573**	**77,358**	**1,614,005**	**1,790,157**	**14,369,093**
Depreciation					
At 1st January 2016	2,413,458	63,128	1,062,686	1,602,337	5,141,609
Charge for the year	199,676	4,780	118,392	93,574	416,422
On disposals	—	(634)	(142,092)	(301,300)	(444,026)
At 31st December 2016	**2,613,134**	**67,274**	**1,038,986**	**1,394,611**	**5,114,005**
Net book values					
At 31st December 2016	**8,274,439**	**10,084**	**575,019**	**395,546**	**9,255,088**
At 31st December 2015	8,333,025	14,864	208,872	278,408	8,835,169

Included in Land & Buildings cost is €4,694,748 in respect of depreciable buildings

	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2015	10,378,273	77,992	1,273,858	1,825,402	13,555,525
Additions	368,210	—	92,246	128,784	589,240
Disposals	—	—	(94,546)	(73,441)	(167,987)
At 31st December 2015	**10,746,483**	**77,992**	**1,271,558**	**1,880,745**	**13,976,778**
Depreciation					
At 1st January 2015	2,219,895	57,220	1,079,680	1,615,979	4,972,774
Charge for the year	193,563	5,908	77,166	59,800	336,437
On disposals	—	—	(94,160)	(73,442)	(167,602)
At 31st December 2015	**2,413,458**	**63,128**	**1,062,686**	**1,602,337**	**5,141,609**
Net book values					
At 31st December 2015	**8,333,025**	**14,864**	**208,872**	**278,408**	**8,835,169**
At 31st December 2014	8,158,378	20,772	194,178	209,423	8,582,751

Included in Land & Buildings cost is €4,595,798 in respect of depreciable buildings

12. Consolidated financial fixed assets

	2016	2015
	€	€
Other Investments		
1. Listed		
At 1st January	26,773,176	26,441,066
Additions	1,629,124	3,715,665
Disposal	(1,673,172)	(3,653,384)
Movement in fair value	(1,100,365)	269,829
At 31st December	**25,628,763**	**26,773,176**
2. Unlisted		
At 1st January	2,076,609	1,683,027
Addition	—	—
Disposal	—	(254)
Movement in fair value	(196,919)	393,836
At 31 December	**1,879,690**	**2,076,609**
Total financial fixed assets	**27,508,453**	**28,849,785**

Co-op financial fixed assets	2016 €	2015 €
A. Shares in group undertakings		
Cost of investment at 1st January and 31st December	30,048	30,048
B. Other investments		
1. Listed		
Cost at 1st January	26,773,176	26,441,066
Additions	1,629,124	3,715,665
Disposals	(1,673,172)	(3,653,384)
Impairment	—	—
Movement in fair value	(1,100,365)	269,829
Cost at 31st December	**25,628,763**	**26,773,176**
2. Unlisted		
At 1st January	2,076,359	1,682,777
Additions	—	—
Reversal of impairment	—	—
Movement in fair value	(196,918)	393,836
Disposal	—	(254)
At 31st December	**1,879,441**	**2,076,359**
Total financial fixed assets	**27,538,252**	**28,879,583**

Listed investments

Listed investments are fair valued at each reporting date. For financial assets traded in active markets, fair value is determined by reference to stock exchange quoted bid prices.

Unlisted investments

Included in unlisted investments are equity shares in One 51 plc, these are currently trading on an informal 'grey' market. The fair value for these shares is determined by reference to published bid prices.

Other unlisted investments are carried at cost less impairment because their fair value cannot be measured reliably.

13. Stocks

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Goods for resale	8,542,062	8,930,090	—	—
Expense	194,107	192,502	30,163	30,008
Livestock	426,929	433,611	—	—
	9,163,098	**9,556,203**	**30,163**	**30,008**

The replacement cost of stocks is not materially different from the carrying value as stated above.

14. Debtors

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Trade debtors	6,965,721	7,253,576	406,764	349,039
Amounts owed by subsidiary undertakings	—	—	17,029,977	24,390,371
Amounts owed by milk debtors	989,468	937,512	799,174	776,437
VAT refund due	662,769	641,499	688,563	662,791
Corporation tax repayable	202,722	—	139,207	—
Amounts outstanding on called up share capital	34,592	26,226	34,592	26,226
Prepayments & other debtors	860,328	558,454	763,818	483,733
	9,715,600	**9,417,267**	**19,862,095**	**26,688,597**

15. Cash and cash equivalents

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Cash at bank and in hand	4,094,415	4,938,553	1,380,625	3,835,614
Less: bank overdrafts	(76,766)	(85,914)	—	—
	4,017,649	**4,852,639**	**1,380,625**	**3,835,614**

16. Creditors: amounts falling due within one year

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Trade creditors & accruals	4,504,494	3,952,458	1,971,960	1,225,533
Amounts owed to group undertaking	—	—	2,888,489	11,079,069
Corporation tax	—	758,193	—	778,986
PAYE/PRSI	137,414	132,721	44,030	37,191
	4,641,908	**4,843,372**	**4,904,479**	**13,120,779**

17. Creditors: amounts falling due after more than one year

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Accruals and deferred income	129,418	140,345	—	—

This deferred income relates to government grants which are amortised over the expected useful economic life of the assets to which they relate.

18. Net deferred tax liability

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Deferred tax is analysed over the following timing differences:				
Accelerated capital allowance	(20,880)	9,551	64,888	69,070
Other timing differences	12,048	18,537	—	—
Deficit on group defined benefit pension obligations	77,684	134,125	21,784	45,306
Fair value adjustments	(6,230,903)	(6,997,882)	(6,230,903)	(6,997,880)
	(6,162,051)	**(6,835,669)**	**(6,144,231)**	**(6,883,506)**

Movements on the provision for deferred taxation are:

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
At 1st January	(6,835,669)	(6,957,136)	(6,883,506)	(7,162,804)
Charge to the profit and loss	719,331	325,975	757,952	360,984
Charged to OCI	(45,712)	(204,508)	(18,677)	(81,686)
At 31st December	**(6,162,050)**	**(6,835,669)**	**(6,144,231)**	**(6,883,506)**

19. Reserves

Share premium

The share premium account represents the premium on issue of ordinary shares.

Capital reserve

The capital reserve represents cancelled society shares.

Other reserves

Other reserves represent unrealised movements on the fair value of investments and deferred tax arising on same. Amounts included in other reserves are transferred to the profit and loss reserve when the investments are sold.

Profit & loss account

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account.

20. Share capital

	Group 2016 €	Group 2015 €	Co-op 2016 €	Co-op 2015 €
Authorised, allotted, called up and fully paid				
6,355,411 (2015 – 5,997,027) Ordinary shares of €1	6,355,411	5,997,027	6,355,411	5,997,027

21. Guarantee

Pursuant to the provision of Section 357 of the Companies Act, 2014, the Co-Operative has guaranteed the liabilities of its subsidiaries Centenary Thurles Stores Ltd, Stockproof Fencing Ltd, Bramblemore Ltd, Thurles Fresh Milk Ltd and Centenary Feed & Grain Ltd and as a result, such subsidiaries are exempt from the filing of their own accounts under the provision of Section 357 of the Companies Act, 2014.

22. Related party disclosures

Transactions with Committee members

In the ordinary course of their business as farmers, Committee members, members who hold office and members of their immediate family and their connected companies trade with the Society and its subsidiaries on standard commercial terms. All transactions are carried out on the same terms as those applied to dealing with unrelated parties.

A summary of transactions during the year ended 31st December 2016 and 31st December 2015 is provided below:

	2016 €	2015 €
Sales (VAT exclusive) to Committee members and individuals who held office during the year or for part of the year including sales to their immediate family and connected companies.	2,207,272	2,206,916
Purchases (VAT exclusive) from Committee members and individuals who held office during the year or part of the year including purchases from their immediate family and connected companies.	4,778,321	4,930,713
Amounts due (VAT inclusive) at 31st December in respect of trade accounts from Committee members or individuals who held office during the year or for part of the year including amounts due from their immediate family and connected companies.	390,808	361,363
Amounts due (VAT inclusive) at 31st December from advances to Committee members or individuals who held office during the year or for part of the year including amounts due from their immediate family and connected companies.	156,099	186,915
Amounts due (VAT inclusive) at 31st December to Committee members or individuals who held office during the year or part of the year including amounts due to their immediate family and connected companies.	113,307	91,451

23. Financial instruments group

	2016 €	2015 €
Financial assets		
Financial assets measured at fair value through profit or loss	26,692,170	28,033,703
Financial assets that are equity instruments measured at cost less impairment	816,082	816,082
Financial assets that are debt instruments measured at amortised cost	8,815,517	8,749,542
	36,323,769	**37,599,327**
Financial liabilities		
Financial liabilities measured at amortised cost	(4,504,494)	(3,952,458)
	(4,504,494)	**(3,952,458)**

- Financial assets measured at fair value through profit or loss comprise of listed investments and investments trading on an informal market.
- Financial assets that are equity instruments measured at cost less impairment comprise of unlisted investments (excluding those trading on an informal market)
- Financial assets measured at amortised cost comprise of trade debtors and other debtors.
- Financial liabilities at amortised cost comprise of trade creditors and accruals.

24. Pensions

Centenary Thurles Co-Operative Society Limited operates a defined benefit pension scheme in Ireland. An actuarial valuation to determine the value of the liabilities in accordance with FRS 102 was carried out at 31 December 2016 by a qualified independent actuary.

The major assumptions used by the actuary were:	2016 %	2015 %
Rate of increase in salaries	2.00	2.00
Discount rate	2.00	2.30
Inflation rate	1.65	1.50
Future pension increase	0.00	0.00

Mortality	2016	2015
Pre retirement (Males)	All members are assumed to survive until normal retirement age.	All members are assumed to survive until normal retirement age.
Pre retirement (Females)	All members are assumed to survive until normal retirement age.	All members are assumed to survive until normal retirement age.
Post retirement (males)	58% ILTM15 with allowance for mortality improvements by increasing the value of pension for each year between 2014 and year of retirement	62% PNML00 with allowance for mortality improvements by increasing the value of pension for each year between 2008 and year of retirement
Post retirement (Females)	62% ILTF15 with allowance for Mortality improvements by increasing the value of pension for each year between 2014 and year of retirement	70% PNFL00 with allowance for mortality improvements by increasing the value of pension for each year between 2008 and year of retirement

	2016	2015
Expectation of life from age 65 for males under the above tables	21.1	22.9
Expectation of life from age 65 for females under the above tables	23.7	24.4

Amount recognised in the balance sheet	2016 €'000	2015 €'000
Fair value of plan assets	14,351	13,567
Present value of funded obligations	(14,973)	(14,640)
Net (liability) at end of year	**(622)**	**(1,073)**

Amounts recognised in the profit or loss for year	2016 €'000	2015 €'000
Service cost (including scheme expense)	322	361
Less employee contributions	(91)	(92)
Company service cost	**231**	**269**
Interest cost	262	222
Interest income on plan assets	(243)	(176)
Net interest on the net defined benefit liability	**19**	**46**
Total	**249**	**315**
Actual return on income generating assets	897	765
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	14,640	15,691
Current service cost (including scheme expenses)	231	269
Employee contribution	91	92
Interest cost	262	222
Actuarial (gains)/loss	153	(1,248)
Benefits paid	(404)	(386)
Closing defined benefit obligation	**14,973**	**14,640**
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	13,567	12,966
Interest Income on Plan Assets	243	176
Actuarial gains and (losses) arising on the plan assets	519	385
Employer contributions	335	334
Employee contributions	91	92
Benefits paid	(404)	(386)
Fair value of plan assets at end of the year	**14,351**	**13,567**
Remeasurement effects recognised in Other Comprehensive Income (OCI):		
Actuarial gains/ (losses) on liabilities	(153)	1,248
Actuarial gains and (losses) arising on the plan assets	519	385
Remeasurement effects recognised in OCI	**366**	**1,633**

Amount of the fair value of plan assets represented by major categories of assets:	2016 €'000	2015 €'000
Equities	7,152	6,855
Bonds	3,602	3,037
Property	715	658
Total	**11,469**	**10,550**
Value of annuity contracts matching pension in payment liabilities	2,882	3,017
Total	**14,351**	**13,567**

Amount for the current and previous four periods

Year ending 31 December	2016 €'000	2015 €'000	2014 €'000	2013 €'000	2012 €'000
Present value of funded obligations	(14,973)	(14,640)	(15,691)	(15,428)	(15,751)
Value of fund assets	14,351	13,567	12,966	11,189	10,107
(Deficit) in scheme	**(622)**	**(1,073)**	**(2,725)**	**(4,239)**	**(5,644)**

25. Principle risks and uncertainities

Risk analysis

Management and the Board regularly review risks facing the Society. The Committee of Management consider that there are appropriate policies and procedures in place to mitigate the effects of these risks.

The Society faces the following key risks and uncertainties:

Credit risk

Customers who wish to trade on credit terms are subject to strict verification procedures in advance of credit being awarded and are continually being monitored.

Market risk

The Society holds investments in both listed and unlisted securities which are subject to fluctuation in market value. The Society's investments sub-committee monitors these investments on a regular basis and advises the Committee of Management on investment policies for the Society.

26. Subsidiaries

At 31st December 2016 the Society holds 20% or more of the share capital of the following companies:

Company	Holding	Activity
Subsidiaries		
Centenary Thurles Stores Ltd	100%	Agri-Trading
Bramblemore Ltd	100%	Piggery
Stockproof Fencing Products Ltd	100%	Wholesale of wire products
Thurles Fresh Milk Ltd	100%	Manufacturing & Distribution of milk products
Centenary Feed & Grain Ltd	100%	Manufacturing of animal feeds

Centenary Thurles Stores Ltd, Bramblemore Ltd, Stockproof Fencing Products Ltd, Thurles Fresh Milk Ltd and Centenary Feed & Grain Ltd have availed of the exemption available under Section 357 of the Companies Act 2014. They will file Group Financial Statements with their annual returns instead of their own financial statements.

27. Capital commitments

	2016 €	2015 €
The Society had the following capital commitments at the balance sheet date:		
Capital expenditure authorised but not contracted for	—	748,000

28. Approval of accounts

The accounts were approved by the Committee of Management on 10th April 2017

Centenary Thurles
Co-operative Society Ltd

CENTENARY
Dairy

CENTENARY
Home & Garden

CENTENARY
Agri