Centenary Thurles
Co-operative Society Ltd

ANNUAL REPORT 2017

Supporting Investing Planning

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Committed to our shared future

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Mission Statement

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.

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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 7th June 2018 at Templemore Road, Thurles, at 9.00 p.m.

Agenda

- Minutes of the previous Annual General Meeting.
- To consider the Financial Statements for the year ended 31 December 2017 and the Report of the Auditors.
- The Election of Auditors for 2018.
- 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: 16th April 2018

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

General Society Information

Committee Members at 31st December 2017

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

Supporting our members, in all weathers

Credit is due to all for capitalising on an excellent 2017, following the difficult year of 2016. Whilst price volatility is the key phrase, we in Centenary Thurles have put measures in place to alleviate some of the difficulties arising from a future catastrophic milk price drop. We're also aware of the potential consequences of Brexit on Irish agriculture, but hold to the belief that a solution will be found to enable the continuation of our vital trading relationship with Britain.

Investing in quality & excellence

At Centenary Thurles we're proud of our reputation for quality and excellence. Our farmers consistently achieve recognition for their produce and low SCC levels. In 2017 we became one of the first milk purchasers in the country to have 100% of our milk certified under the Bord Bia Sustainable Dairy Assurance Scheme. We've also embraced technology with the launch of our new MilkedIn mobile app during the year; an innovative tool that means farmers now have access to live milk quality data at their finger tips.

Planning for a positive future

While the outlook for 2018 is challenging, we are prepared. The Society will continue to invest in improving our facilities and our branch network, along with exploring new markets for our produce. This, together with the resilience and enterprising spirit of our membership will ensure that the longer-term outlook is a more positive one. Our ongoing commitment to our farmers, shareholders and the community in which we work is a constant. We know that together we're stronger.

Chairman's Report
Jim Russell

My report to you each year reaches you in May and comments on the activities of the previous financial year. The trend in this report each year now seems to be a commentary on a year very different to the present. Such is volatility and it appears it is here to stay.

2017 in general can be regarded as an excellent year for agriculture. Favourable weather conditions, relatively low input prices and reasonably strong produce prices ensured as much. The pain of 2016 had evaporated but was not forgotten.

In my report to you last year, I committed to putting a fund aside to be used when the inevitable downturns in milk price occurred. I am proud that we had established by year end, with your support, a Milk Price Volatility Fund of €800,000 with plans to grow this further. Despite the real concerns of falling milk prices in 2018, I am hopeful that a level will not be reached where we have to activate the fund.

Unfortunately the 'highs of volatility' have not reached the tillage sector. For a fifth consecutive year prices remained in the doldrums, despite the price paid for barley and wheat rising by €7 per tonne. There is no major improvement forecasted for 2018 as production in Eastern Europe continues to expand.

Beef had a better than expected year considering the continued weakness of sterling. Price Volatility remains in the pig sector with an average 2016, followed by a good 2017 and what looks like a difficult 2018. The sheep sector had another positive year in 2017. These sectors were also positively impacted by relatively low input prices throughout the year.

One year on from my last report and we are no nearer understanding the consequences of Brexit. Brexit remains a serious challenge to Irish agriculture and cannot be under-estimated, but it is hoped a solution will be found that will maintain our trading relationship with Britain long beyond the transitional arrangement currently agreed for Brexit.

I am proud that we had established by year end, with your support, a Milk Price Volatility Fund of **€800,000** with plans to grow this further.

Financial Performance

Turnover for 2017 grew to over €95m with solid growth in all activities. Improved milk price was the single biggest factor however. The absence of the exceptional price support of €1.25m in 2016 was a factor in growing our Gross Profit to €11.8m. The excellent year helped in reducing our provision for slow-moving debtors and this maintained our total overheads at €10.4m leaving us with an Operating Profit of €1.455m.

Other Operating Income generated €742,000 but a reduction in market value of our investments of €1.2m which was only partially offset by gains on disposal of investments of €247,000, left us with a Profit before Tax of €1.24m. The release of €1.1m in the Deferred Tax Provision more than offset our charge to tax for 2017, leaving us with a Nett Taxation credit of €161,000 and a Profit after Tax of €1.4m.

Equity Shareholders' Funds on the Balance Sheet now stand at €56.2m, up from €54.4m at 31st December 2016. The Pension Liability on the Balance Sheet now stands at just €69,000, down from a peak of over €5.6m at 31st December 2012.

Milk Review

Our milk supply grew by 9.4m litres or 6.6% during 2017 to reach 151.8m litres. All the indications presently are for further significant growth in the short-term. Our average manufacturing price paid in 2017 grew by a very welcome 9.5c per litre to reach 37.34c. As a consequence of volume and price increases, our nett cheque payout to suppliers grew by almost €16m or 49%. Average Butterfat and Protein both increased slightly to 4.053% and 3.482% respectively.

The commitment from both ourselves and our suppliers to quality and excellence was clearly demonstrated in 2017, when we became one of the first milk purchasers in the country to achieve 100% of our milk certified under the Bord Bia Sustainable Dairy Assurance Scheme. We launched our new Milk Mobile App also during the year and to date have approximately 100 suppliers availing of the service at no cost to them. I would encourage all Suppliers to avail of this excellent management tool for your business. Our new laboratory installed during 2016 is also an excellent resource for suppliers.

Our milk supply grew by **9.4m litres or 6.6%** during 2017 to reach **151.8m litres.**

I would also like to acknowledge our suppliers' efforts in continually improving SCC levels, leading to better herd health and a more profitable operation. 72.3% of our milk was under 200,000 SCC during 2017, an improvement from 64.3% in 2016. Our 6th Annual Milk Quality Award winner was recently announced and for 2017, the proud winner of the Eddie Dwan Memorial Cup being Tom Mary & Michael Ryan.

Stores Review

Turnover in our Stores division grew from €30.3m to €31.9m, backed up by 5.5% volume increase in fertiliser sales, a volume increase of 13% in feed sales and a return to the turnover figures of non-feed and fertiliser sales last seen in 2007 and 2008. Overall a very successful year, marked again by further investment in our branch network, particularly Littleton. We have an excellent network built up of well-presented modern facilities capable of servicing the requirements of all our customers. Further investment will also occur during 2018, this time in Thurles.

Feed & Grain Review

After a sluggish start to the year, where the first 6 months recorded only a 1% increase in sales, demand surged by 23% in the second half, resulting in an overall increase year on year of 11% in volume terms and 9% in value. Dairy feed sales grew 13% after a similar increase in 2016 with beef feed proving resilient with an 18% increase after a moderate increase the previous year. The next phase of investment in the mill will commence later this year. A significant consumer of capital, it is important that the mill continues to improve operational efficiencies to deal with ever-increasing demand and remain ultra-competitive.

Our grain intake grew by 1,000 tonnes to 19,000 in 2017, despite generally reduced acreage across the country. Our supplier numbers remained constant but their average supply increased by 10 tonnes to 162. Pricing was up slightly on the previous year for Barley, Wheat and Oats but is still not at a level that is comfortable for growers. The average grower's total income is less than the Basic Payment (in the region of 75%). This is not a sustainable position into the future. We rely totally on native grain for our compound feed and would hope that position carries on long into the future. It would be a pity to see our industry decimated as a result of the absence of an economic return.

Liquid Milk Review

Volumes in 2017 stabilised with a modest increase of 2.5% overall and this has continued into 2018. The marketplace remains difficult as average prices achieved declined by more than 1c and prices paid for milk increased by 6c. There is a sense that the market itself has stabilised and the race to the bottom to protect market share has been arrested. Time will tell in this respect. We are exploring different markets in an effort to increase volumes without a cost to the bottom line.

Stockproof Fencing Products

Stockproof had another excellent year in 2017, growing turnover by 3% and staying abreast of market developments.

Bramblemore

Bramblemore had its best financial performance in many a year as pig prices recovered significantly and feed costs remained at a relatively modest level. However the tide has turned again in 2018, and a further strong recovery in prices is required to ensure success in the current year. Prices reached a peak last July but have since fallen by approximately 30c per kg. Performance is continually monitored, to try to be as efficient as possible and let the market take care of itself. Output improved by 2.3% in 2017 and that improvement has continued to date in 2018.

Agricultural Scholarships

Our Agricultural Scholarship Scheme continued during 2017 and the following applicants were awarded €750 each:

Brian Laffan, Gurteen
Castleiney

Keith Russell, Gurteen
Gurtderrybeg

Bonus Shares

The Committee Policy of issuing Bonus Shares based on Milk Supply, Grain Supply and Trading with the Society continued in 2017 and a similar proposal will be put to the AGM for 2018. Last year, we issued 349,517 Bonus Shares, almost 300,000 shares based on trading and the equivalent of 1 share for every €53.50 spent. This was augmented by the spin-out to shareholders of Glanbia plc shares which had a value of €2.6m on spin-out last September.

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 2018

The outlook for 2018 is somewhat concerning. Already we have been through a difficult Spring which has put a lot of pressure on farming. Milk price volatility at the time of writing will likely lead to lower prices for the peak milk months. Price may well not have been far behind the 2017 level particularly for the first half of the year, but other factors including lower output, lower proteins and increased costs will dampen supplier margins. I am hopeful that price recovery later in the year will result in an overall reasonable price for milk in 2018. The resilience of grain growers is to be admired with difficult sowing conditions in 2018 and no guarantee of price recovery.

The financial performance of the Society will be dampened also by the poor Spring particularly in our stores division. Increased feed output will come at a higher cost in terms of overheads and raw materials, neither of which could be recouped in the marketplace. The longer term outlook for our business is however very positive as a result of recent investments. That investment level will continue in the coming years in an effort to improve efficiency and provide a better service to our customers.

Your Society has been managed over the years in such a way as to remain financially strong, and I acknowledge the support given to me during 2017 of both our Vice-Chairmen, Paddy Daly and Noreen Barry and our Committee of Management, most of whom have a direct input into some of our business activities as Board Members of our subsidiary companies. The contribution of Management and Staff to a very successful 2017 must also be acknowledged.

Our regular and loyal customers are the backbone of the Society and I thank you most sincerely for your contribution and support for our efforts in 2017 and look forward to your continued support in the years ahead.

Five Year
Financial Review

	2017 €,000	2016 €,000	2015 €,000	2014 €,000	2013 €,000
Dairy turnover	58,956	41,766	43,803	46,021	46,796
Agricultural goods turnover	34,546	32,991	34,261	33,779	40,946
Pig turnover	1,617	1,461	1,471	1,194	39
Total turnover	95,119	76,218	79,535	80,994	87,781
Operating profit/(loss)	1,455	(412)	422	831	1,838
Profit/(loss) before tax	1,241	(914)	1,375	7,154	4,391
Taxation	(161)	(180)	727	1,439	924
Retained profit/(loss)	1,402	(734)	648	5,715	3,467
Equity shareholders' funds	56,215	54,379	54,811	52,704	35,128
No. of milk suppliers	342	352	363	366	364

Centenary Thurles Co-operative Society Ltd.
Consolidated Financial Statements for the year ended 31st December 2017

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 Act 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*
11th April 2018

Auditors' Report

We have audited the Group consolidated financial statements of Centenary Thurles Co Operative Society Limited for the year ended 31 December 2017, 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 and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and the Society as at 31 December 2017 and of the Group profit for the year then ended; and
- have been properly prepared in accordance with Financial Reporting Standard 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 the 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Committee of Management use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Committee of Management 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.

Opinion on other matters prescribed by the Industrial and Provident Societies Act 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 ISAs (Ireland). ISAs (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.

Respective responsibilities

Responsibilities of the Committee of Management for the financial statements

As explained more fully in the Committee of Managements' Responsibilities Statement, the Committee of Management 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 Committee of Management 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 Committee of Management are responsible for assessing the Group and the Society's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Group or the Society or to cease operations, or has 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

This report is made solely to the Society's members, as a body, in accordance with Section 13 of the Industrial & Provident Societies Act, 1893 to 2014. 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.

Russell Brennan Keane Partnership
Chartered Accountants and Registered Auditors
RBK House, Irishtown, Athlone, Co. Westmeath
11th April 2018

Consolidated Profit and Loss Account for the year ended 31st December 2017

	Notes	2107 Total €	2016 Total €
Turnover — continuing activities	3	**95,118,776**	**76,217,852**
Cost of sales — exceptional	7	**_**	**(1,250,098)**
Cost of sales		**(83,281,929)**	**(65,054,441)**
Gross profit		**11,836,847**	**9,913,313**
Operating costs		(9,175,944)	(8,851,306)
Administrative expenses		(1,206,066)	(1,473,836)
Operating profit/(loss) — continuing activities		**1,454,837**	**(411,829)**
Other operating income	8	742,237	1,095,743
Fair value movements	9	(956,258)	(1,597,836)
Profit before tax		**1,240,816**	**(913,922)**
Tax on profit / (loss)	10	161,223	179,907
Profit /(loss) for the year		**1,402,039**	**(734,015)**

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 11th April 2018 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 38–55 form part of these Accounts.

Consolidated Statement of Comprehensive Income for the year ended 31st December 2017

	2017 €	2016 €
Profit/(loss) on ordinary activities after taxation	**1,402,039**	**(734,015)**
Other comprehensive income		
Actuarial gain on pension obligations	469,000	365,697
Movement on deferred tax relating to pension (gain)	(58,624)	(45,712)
Other comprehensive income for the year	410,376	319,985
Total comprehensive income for the year	**1,812,415**	**(414,030)**

The financial statements were approved by the board on 11th April 2018 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 38–55 form part of these Accounts.

Consolidated Balance Sheet as at 31st December 2017

	Notes	2017 €	2016 €
Fixed assets			
Tangible assets	**11**	14,820,354	15,528,663
Investments	**12**	27,047,130	27,508,453
		41,867,484	43,037,116
Current assets			
Stocks	**13**	8,836,032	9,163,098
Debtors	**14**	9,717,916	9,715,600
Cash at bank and in hand	**15**	7,117,549	4,017,649
		25,671,497	22,896,347
Creditors: amounts falling due within one year	**16**	**(6,040,421)**	**(4,641,908)**
Net current assets		**19,631,076**	**18,254,439**
Total assets less current liabilities		**61,498,560**	**61,291,555**
Creditors: amounts falling due after more than one year	**17**	**(118,491)**	**(129,418)**
Deferred tax liability	**18**	**(5,096,057)**	**(6,162,051)**
Net assets excluding pension liability		**56,284,012**	**55,000,086**
Pension liability	**24**	(69,416)	(621,463)
Net assets including pension liability		**56,214,596**	**54,378,623**
Capital and reserves			
Called up share capital	**20**	6,728,663	6,355,411
Share premium account	**19**	5,481,676	5,481,676
Capital reserve	**19**	15,510	15,510
Other reserves	**19**	9,459,395	12,006,903
Profit and loss account		34,529,352	30,519,123
Equity shareholders' funds		**56,214,596**	**54,378,623**

The financial statements were approved by the board on 11th April 2018 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 38–55 form part of these Accounts.

Co-op Balance Sheet as at 31st December 2017

	Notes	2017 €	2016 €
Fixed assets			
Tangible assets	11	8,914,862	9,255,088
Investments	12	27,076,928	27,538,252
		35,991,790	36,793,340
Current assets			
Stocks	13	18,050	30,163
Debtors	14	17,863,252	19,862,095
Cash at bank and in hand	15	4,971,087	1,380,625
		22,852,389	**21,272,883**
Creditors: amounts falling due within one year	16	**(6,713,932)**	**(4,904,479)**
Net current assets		**16,138,457**	**16,368,404**
Total assets less current liabilities		**52,130,247**	**53,161,744**
Provision for liabilities			
Deferred tax	18	(5,032,472)	(6,144,231)
Pension asset/(liability)		52,736	(174,270)
Net assets		**47,150,511**	**46,843,243**
Capital and reserves			
Called up share capital	20	6,728,663	6,355,411
Share premium account	19	5,481,676	5,481,676
Capital reserve	19	15,510	15,510
Other reserves	19	9,459,395	12,006,903
Profit and loss account		25,465,267	22,983,743
Equity shareholder's funds		**47,150,511**	**46,843,243**

The financial statements were approved by the board on 11th April 2018 and signed on its behalf by:
Jim Russell *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 38–55 form part of these Accounts.

Consolidated Statement of Changes in Equity as at 31st December 2017

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 January 2017	**6,355,411**	**5,481,676**	**15,510**	**12,006,903**	**30,519,123**	**54,378,623**
Profit/(loss) for the year	—	—	—	—	1,402,039	1,402,039
Actuarial gains on pension scheme	—	—	—	—	410,376	410,376
Transfer to/ from other reserves					2,547,508	2,547,508
Capitalisation/bonus issue	—	—	—	—	(349,694)	(349,694)
Shares issued/ bonus shares issued during the year	400,035	—	—	—	—	400,035
Shares redeemed during the year	(26,783)	—	—	—	—	(26,783)
Fair value adjustment on disposals	—	—	—	(2,599,127)	—	(2,599,127)
Deferred tax adjustment on disposal				857,712		857,712
Fair value movements	—	—	—	(1,203,124)	—	(1,203,124)
Deferred tax on fair value movements	—	—	—	397,031	—	397,031
At 31 December 2017	**6,728,663**	**5,481,676**	**15,510**	**9,459,395**	**34,529,352**	**56,214,596**

The financial statements were approved by the board on 11th April 2018 and signed on its behalf by:
Jim Russell *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 38–55 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**
(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**

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Company Only Statement of Changes in Equity as at 31st December 2017

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 January 2017	**6,355,411**	**5,481,676**	**15,510**	**12,006,903**	**22,983,743**	**46,843,243**
Profit for the year	—	—	—	—	115,916	115,916
Actuarial gains on pension scheme	—	—	—	—	167,794	167,794
Transfer to/ from other reserves	—	—	—	—	2,547,508	2,547,508
Capitalisation/bonus issue	—	—	—	—	(349,694)	(349,694)
Shares issued/ bonus shares issued during the year	400,035	—	—	—	—	400,035
Shares redeemed during the year	(26,783)	—	—	—	—	(26,783)
Fair value adjustment on disposal	—	—	—	(2,599,127)	—	(2,599,127)
Deferred tax adjustment on disposal	—	—	—	857,712	—	857,712
Fair value movements	—	—	—	(1,203,124)	—	(1,203,124)
Deferred tax on fair value movements	—	—	—	397,031	—	397,031
At 31 December 2017	**6,728,663**	**5,481,676**	**15,510**	**9,459,395**	**25,465,267**	**47,150,511**

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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**

The financial statements were approved by the board on 11th April 2018 and signed on its behalf by:
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The notes on pages 38–55 form part of these Accounts.

Consolidated Cash Flow Statement for the year ended 31st December 2017

	2017 €	2016 €
Cash flows from operating activities		
Operating profit/(loss)	1,454,837	(411,829)
Adjustments for:		
Depreciation	1,143,461	1,103,876
Amortisation of capital grant	(10,927)	(10,927)
(Increase)/decrease in stocks	327,066	393,105
(Increase)/decrease in debtors	(205,038)	(95,611)
(Decrease)/increase in creditors	1,398,512	556,729
Pension payments on defined benefit pension scheme	(332,048)	(335,081)
Other non - cash movements on defined benefit pension scheme	241,000	230,609
Corporation Tax	(760,672)	(1,500,338)
Net cash generated from operating activities	**3,256,191**	**(69,467)**
Cash flows from investing activities		
Payments to acquire tangible assets	(447,819)	(1,635,804)
Payments to acquire investments	(3,527,725)	(1,629,124)
Receipts from sales of investments	3,032,791	1,372,619
Net cash proceeds from sale of assets	34,999	46,224
Interest received	12,121	9,299
Dividends received	699,953	1,073,875
Rental income	13,200	12,998
Sundry income	2,631	2,827
Net cash from investing activities	**(179,849)**	**(747,086)**
Cash flows from financing activities		
Issue of ordinary share capital	50,341	26,937
Repurchase of ordinary share capital	(26,783)	(45,374)
Net cash from/(used in) in financing activities	**23,558**	**(18,437)**
Net Increase/(Decrease) in cash and cash equivalents	**3,099,900**	**(834,990)**
Cash and cash equivalents at beginning of the year	4,017,649	4,852,639
Cash and cash equivalents at end of the year	7,117,549	4,017,649

he financial statements were approved by the board on 11th April 2018 and signed on its behalf by:
Jim Russell *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 38–55 form part of these Accounts.

Notes to the Consolidated Financial Statements
for the year ended 31st December 2017

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 Society's, Act 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. 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.

Available for sale financial assets are classified as non-current assets unless management intends to dispose of the available for sale financial asset within 12 months of the reporting date.

They are initially recognised at fair value plus transaction costs and are subsequently adjusted to fair value at each reporting date. Unrealised gains and losses arising from changes in the fair value of the available for sale financial assets are recognised in profit and loss.

When such available for sale assets are disposed or impaired, the accumulated fair value adjustments are transferred from Other Reserves to Realised Reserves.

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.

Included in unlisted investments are equity shares 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. The society has no plans to dispose of these financial assets in the foreseeable future.

Dividends on available for sale financial assets are recognised in the income statement.

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

	2017 €	2016 €
Milk	58,955,784	41,766,231
Agri Business	34,546,088	32,990 944
Pigs	1,616,904	1,460,677
	95,118,776	**76,217,852**

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

	2017 €	2016 €
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation	1,143,461	1,103,876
Staff costs (**Note 5**)	5,347,138	5,213,821
Audit fees	48,000	48,000

5. Employees

	2017 No.	2016 No.
Number of employees		
The average weekly numbers of employees during the year were:		
Production and transport	27	28
Sales	72	73
Administration	21	21
	120	**122**

Employment costs	2017 €	2016 €
Wages and salaries	4,634,048	4,522,867
Social welfare costs	472,089	460,345
Pension service costs	241,001	230,609
	5,347,138	**5,213,821**

6. Key management personnel compensation

	2017 €	2016 €
The total benefits paid to key management personnel during the year are analysed below:		
Salary	839,343	814,411
Benefit-in kind	23,465	23,349
Current service costs of pension schemes	143,468	132,978
Committee members fees	38,422	37,946
Total	**1,044,698**	**1,008,684**

7. Exceptional price support

	2017 €	2016 €
Centenary Thurles Co-Operative Society Limited offered exceptional price support to members during the prior year as follows:		
Feed and grain	—	215,546
Milk price and bonus	—	1,034,552
	—	**1,250,098**

8. Other operating income

	2017 €	2016 €
Deposit interest	12,121	9,299
Dividends	699,953	1,073,875
Profit on disposal of fixed assets	22,332	15,377
Rental income	13,200	12,998
Sundry income	2,631	2,827
Interest on pension scheme liabilities	(8,000)	(18,633)
	742,237	**1,095,743**

9. Fair value movements

	2017 €	2016 €
Fair value movement on investments	(1,203,124)	(1,297,283)
Fair value adjustment on disposal of investments	246,866	(300,553)
	(956,258)	**(1,597,836)**

10. Taxation

	2017 €	2016 €
Corporation tax		
Current year	(1,025,146)	(539,424)
Prior year	61,752	—
	(963,394)	**(539,424)**
Deferred tax		
Current year	1,124,617	719,331
	161,223	**179,907**

Factors affecting tax charge for the year	2017 €	2016 €
The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2016: 12.5%) as set out below:		
Profit/(loss) on ordinary activities before Tax	1,240,816	(913,922)
Profit/(loss) on ordinary activities multiplied by standard rate for the year of 12.5% (2016:12.5%)	155,102	(114,240)
Effects of:		
Depreciation in excess of capital allowances	53,406	31,192
Pension adjustments	(1,196)	(2,156)
Income taxed at non-standard rates	47,850	89,626
Other timing differences	(772)	(5,422)
Expenses not deductible for tax purposes	1,309	8,515
Chargeable gains	672,423	290,446
Non taxable income	(9,618)	(11,290)
Adjustments in respect of prior period	(61,752)	—
Losses carried back to a prior period	—	60,452
Fair value adjustments	119,532	199,730
Foreign income	(12,890)	(7,429)
Deferred tax	(1,124,617)	(719,331)
Current year taxation	**(161,223)**	**(179,907)**

11. Tangible fixed assets consolidated

	Land & Buildings €	Machinery €	Fixtures & Equipment €	Transport €	Total €
Cost					
At 1st January 2017	19,144,322	8,970,806	4,103,971	2,942,763	35,161,862
Additions	173,942	6,384	148,611	118,882	447,819
Disposals	—	—	(8,181)	(228,494)	(236,675)
At 31st December 2017	**19,318,264**	**8,977,190**	**4,244,401**	**2,833,151**	**35,373,006**
Depreciation					
At 1st January 2017	6,680,432	7,698,651	3,020,946	2,233,170	19,633,199
Charge for the year	492,851	190,674	266,339	193,597	1,143,461
On disposals	—	—	(8,181)	(215,827)	(224,008)
At 31st December 2017	**7,173,283**	**7,889,325**	**3,279,104**	**2,210,940**	**20,552,652**
Net book values					
At 31st December 2017	**12,144,981**	**1,087,865**	**965,297**	**622,211**	**14,820,354**
At 31st December 2016	12,463,890	1,272,155	1,083,025	709,593	15,528,663

Included in Land & Buildings cost is €12,798,792 in respect of depreciable buildings.

Co-op tangible fixed assets	Land & Buildings €	Machinery €	Fixtures & Equipment €	Transport €	Total €
Cost					
At 1st January 2017	10,887,573	77,358	1,614,005	1,790,157	14,369,093
Additions	—	—	35,298	48,000	83,298
Disposals	—	—	(7,800)	(188,494)	(196,294)
At 31st December 2017	**10,887,573**	**77,358**	**1,641,503**	**1,649,663**	**14,256,097**
Depreciation					
At 1st January 2017	2,613,134	67,274	1,038,986	1,394,611	5,114,005
Charge for the year	199,494	4,780	119,346	99,904	423,524
On disposals	—	—	(7,800)	(188,494)	(196,294)
At 31st December 2017	**2,812,628**	**72,054**	**1,150,532**	**1,306,021**	**5,341,235**
Net book values					
At 31st December 2017	**8,074,945**	**5,304**	**490,971**	**343,642**	**8,914,862**
At 31st December 2016	8,274,439	10,084	575,019	395,546	9,255,088

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

12. Consolidated investments

	2017 €	2016 €
Available for sale financial assets		
Other Investments		
1. Listed		
At 1st January	25,628,763	26,773,176
Additions	3,527,725	1,629,124
Disposal	(2,785,836)	(1,673,172)
Movement in fair value	(1,754,495)	(1,100,365)
At 31st December	**24,616,157**	**25,628,763**
2. Unlisted		
At 1st January	1,879,690	2,076,609
Disposal	(88)	—
Movement in fair value	551,371	(196,919)
At 31st December	**2,430,973**	**1,879,690**
Total	**27,047,130**	**27,508,453**

Co-op investments	2017 €	2016 €
A. Shares in group undertakings		
Cost of investment at 1st January and 31st December	30,048	30,048
B. Available for sale financial assets		
1. Listed		
Cost at 1st January	25,628,763	26,773,176
Additions	3,527,725	1,629,124
Disposals	(2,785,837)	(1,673,172)
Movement in fair value	(1,754,494)	(1,100,365)
At 31st December	**24,616,157**	**25,628,763**
2. Unlisted		
At 1st January	1,879,441	2,076,359
Movement in fair value	551,370	(196,918)
Disposal	(88)	—
At 31st December	**2,430,723**	**1,879,441**
Total financial fixed assets	**27,076,928**	**27,538,252**

Available for sale financial assets

Available for sale financial assets are classified as non current assets, unless they are expected to be realised within 12 months of the reporting date.

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 IPL Plastics 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. The society has no plans to dispose of these financial assets in the foreseeable future.

13. Stocks

	Group 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Goods for resale	8,166,361	8,460,505	—	—
Expense	220,878	275,664	18,050	30,163
Livestock	448,793	426,929	—	—
	8,836,032	**9,163,098**	**18,050**	**30,163**

14. Debtors

	Group 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Trade debtors	6,263,040	6,965,721	295,888	406,764
Amounts owed by subsidiary undertakings	—	—	14,208,576	17,029,977
Amounts owed by milk debtors	2,045,806	989,468	1,930,855	799,174
VAT refund due	952,868	662,769	993,421	688,563
Corporation tax repayable	—	202,722	57,714	139,207
Amounts outstanding on called up share capital	53,618	34,592	53,618	34,592
Prepayments & other debtors	402,584	860,328	323,180	763,818
	9,717,916	**9,715,600**	**17,863,252**	**19,862,095**

15. Cash and cash equivalents

	Group 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Cash at bank and in hand	7,465,616	4,094,415	4,971,087	1,380,625
Less: bank overdrafts	(348,067)	(76,766)	—	—
	7,117,549	**4,017,649**	**4,971,087**	**1,380,625**

16. Creditors: amounts falling due within one year

	Group 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Trade creditors & accruals	5,012,188	4,504,494	2,427,078	1,971,960
Amounts owed to group undertaking	—	—	3,443,039	2,888,489
Milk Price Volatility Fund	801,493	—	801,493	—
Corporation tax	87,716	—	—	—
PAYE/PRSI	139,024	137,414	42,322	44,030
	6,040,421	**4,641,908**	**6,713,932**	**4,904,479**

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

	Group 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Deferred Income	118,491	129,418	—	—

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 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Deferred tax is analysed over the following timing differences:				
Accelerated capital allowance	(22,000)	(20,880)	68,431	64,888
Other timing differences	11,577	12,048	—	—
Deficit on group defined benefit pension obligations	8,678	77,684	(6,591)	21,784
Fair value adjustments	(5,094,312)	(6,230,903)	(5,094,312)	(6,230,903)
	(5,096,057)	**(6,162,051)**	**(5,032,472)**	**(6,144,231)**

	Group 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Movements on the provision for deferred taxation are:				
At 1st January	(6,162,051)	(6,835,670)	(6,144,231)	(6,883,506)
Charge to the profit and loss	1,124,618	719,331	1,135,729	757,952
Charged to OCI	(58,624)	(45,712)	(23,970)	(18,677)
At 31st December	**(5,096,057)**	**(6,162,051)**	**(5,032,472)**	**(6,144,231)**

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 2017 €	Group 2016 €	Co-op 2017 €	Co-op 2016 €
Authorised, allotted, called up and fully paid				
6,728,663 (2016 – 6,355,411) Ordinary shares of €1	6,728,663	6,355,411	6,728,662	6,355,411

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, 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 2017 and 31st December 2016 is provided below:

	2017 €	2016 €
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.	2,368,152	2,207,272
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.	6,385,943	4,778,321
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.	366,765	390,808
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.	121,311	156,099
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.	168,210	113,307

23. Financial instruments group

	2017 €	2016 €
Financial assets		
Financial assets measured at fair value through profit or loss	26,230,886	26,692,122
Financial assets that are equity instruments measured at cost less impairment	816,244	816,332
Financial assets that are debt instruments measured at amortised cost	8,711,430	8,815,517
	35,758,560	**36,323.971**
Financial liabilities		
Financial liabilities measured at amortised cost	(5,012,188)	(4,504,494)
	(5,012,188)	**(4,504,494)**

- 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 2017 by a qualified independent actuary.

The major assumptions used by the actuary were:	2017 %	2016 %
Rate of increase in salaries	2.00	2.00
Discount rate	2.00	2.00
Inflation rate	1.70	1.65
Future pension increase	0.00	0.00

Mortality	2017	2016
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.	58% PNML00 with allowance for mortality improvements by increasing the value of pension for each year between 2014 and year of retirement.
Post retirement (Females)	62% 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 2014 and year of retirement.

	2017	2016
Expectation of life from age 65 for males under the above tables	21.1	21.1
Expectation of life from age 65 for females under the above tables	23.7	23.7

Amount recognised in the balance sheet	2017 €'000	2016 €'000
Fair value of plan assets	15,011	14,351
Present value of funded obligations	(15,080)	(14,973)
Net (liability) at end of year	**(69)**	**(622)**

Amounts recognised in the profit or loss for year	2017 €'000	2016 €'000
Service cost (including scheme expense)	334	322
Less employee contributions	(93)	(91)
Company service cost	**241**	**231**
Interest cost	239	262
Interest income on plan assets	(231)	(244)
Net interest on the net defined benefit liability	**8**	**18**
Total	**249**	**249**
Actual return on income generating assets	610	897
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	14,973	14,640
Company service cost	241	231
Employee contribution	92	91
Interest cost	239	262
Actuarial (gains)/loss	(167)	153
Benefits paid	(298)	(404)
Closing defined benefit obligation	**15,080**	**14,973**
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	14,351	13,567
Interest Income on Plan Assets	231	243
Actuarial gains and (losses) arising on the plan assets	302	519
Employer contributions	333	335
Employee contributions	92	91
Benefits paid	(298)	(404)
Fair value of plan assets at end of the year	**15,011**	**14,351**
Remeasurement effects recognised in Other Comprehensive Income (OCI):		
Actuarial gains/ (losses) on liabilities	166	(153)
Actuarial gains and (losses) arising on the plan assets	302	519
Remeasurement effects recognised in OCI	**468**	**366**

Amount of the fair value of plan assets represented by major categories of assets:	2017 €'000	2016 €'000
Equities	7,002	7,152
Bonds	4,443	3,602
Property	761	715
Total	**12,206**	**11,469**
Value of annuity contracts matching pension in payment liabilities	2,805	2,882
Total	**15,011**	**14,351**

Amount for the current and previous four periods

Year ending 31 December	2017 €'000	2016 €'000	2015 €'000	2014 €'000	2013 €'000
Present value of funded obligations	(15,080)	(14,973)	(14,640)	(15,691)	(15,428)
Value of fund assets	15,011	14,351	13,567	12,966	11,189
(Deficit) in scheme	**(69)**	**(622)**	**(1,073)**	**(2,725)**	**(4,239)**

25. Principle risks and uncertainties

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 2017 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. Approval of accounts

The accounts were approved by the Committee of Management on 11th April 2018

Centenary Thurles
Co-operative Society Ltd

CENTENARY
Dairy

CENTENARY
Home & Garden

CENTENARY
Agri