Centenary Thurles
Co-operative Society Ltd

ANNUAL REPORT 2020

The strength of Tipperary

“Resilience is all about being able to overcome the unexpected. Sustainability is about survival. The goal of resilience is to thrive.”

Jamais Cascio

Contents

Mission Statement	5
Notice of Annual General Meeting	7
General Society Information	8
Chairman's Report	16
Five Year Financial Review	20
2020 Finances	**21**
Committee of Management Responsibility Statement	22
Auditor's Report	23
Consolidated Profit & Loss Account	26
Consolidated Statement of Comprehensive Income	26
Consolidated Balance Sheet	27
Co-op Balance Sheet	28
Statements of Changes in Equity	29
Consolidated Cash Flow Statement	33
Notes to the Financial Statements	34

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.

GROWTH
& PRO RESS

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 Wednesday 9th June 2021 at 8:00 p.m. via Zoom.

Agenda

- Minutes of the previous Annual General Meeting.
- To consider the Financial Statements for the year ended 31st December 2020 and the Report of the Auditors.
- The Election of Auditors for 2021.
- To consider the Board's recommendation on the issue of bonus shares.
- Any other business incidental to an Ordinary General Meeting.

Online Meeting (Zoom)

The meeting is being facilitated by emergency (Covid-19) legislation. Accordingly, please note:

- The meeting will be conducted using the zoom technology platform **(www.zoom.us)**.
- It will be conducted in a manner that reflects, in so far as is practicable, the features of a conventional (i.e. physical) meeting.
- During the meeting Members will have the opportunity to communicate questions, make comments and vote if necessary.
- Security is imperative and therefore Members intending to attend are required to provide the Society with a secure personal email address. For identity verification purposes the Society may contact those Members.
- Should you wish to attend the AGM, you must prior-register by e-mail to: **agm@centenarythurles.com**
- Nearer the date of the meeting, you will receive the link to the meeting and an outline of the relevant protocols.

By Order
Joe Kerrigan, *Secretary*
Date: 12th April 2021

Chairman Jim Russell

Vice-Chairman Noreen Bary

Vice-Chairman Paddy Daly

Chief Executive/Secretary Joe Kerrigan

General Society Information

Committee Members at 31st December 2020

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
Noel O'Connor, Rathcowan
Brendan Ryan, The Commons

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

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

Montore
Thomas Maher, Frankfort
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
Liam Flanagan, Galbertsown
Mary Purcell, Kilrush
Jerry Spillane, Galbertstown

A renewed focus on what matters most.

In a year when the people and places closest to us became even more important, we're proud to offer our support to Cabragh Wetlands Trust, a local voluntary organisation who protect the unique habitats of Co. Tipperary. This marked the launch of our sustainability initiative, and a renewed commitment to our local community and natural environment.

Nurturing our growing customer base.

They say to plant a garden is to believe in tomorrow, and our stores division reflected this optimism, as we re-centred on home and re-imagined outdoor spaces. We're thankful to our loyal and new customers — especially the gardeners who are helping provide local habitats for insects, birds and animals, and sustain our all important bee population.

CENTENARY
Home & Garden

CENTENARY
Agri
17% Supreme
Calf Nuts

CENTENARY
Home & Garden
CENTENARY
e & Garden

An environment for change.

As we continue to respond to change and uncertainty, we do so with great confidence in our people and our Co-operative.
From adopting new technology, innovating in the liquid milk sector, supporting new environmental initiatives and navigating the post-Brexit and Covid-19 landscape, we're committed to sustaining a thriving local industry for generations to come.

Chairman's Report
Jim Russell

My report for 2020 is my 8th and final report to you as Chairman. The Rules of the Society dictate that I step aside from this role at the conclusion of our AGM. I will remain on as a Committee Member and hope I can continue to make a contribution on behalf of shareholders. When I look back to my first report, I am struck by how much has changed and paradoxically how much has remained the same. I reported then, as now, on record turnover and operating profits. I also reported on additional milk processing capacity coming on stream as we exited the quota regime and commented on the likelihood that future milk payment systems would need to best utilise that capacity to maximise milk prices.

For more than 12 months now, we have managed most of our business virtually. Our Committee of Management has not met in person in full since 13th February 2020. Similarly, we have not been in a position to meet shareholders or host farmer meetings. We have all adapted to the new environment and have carried on 'business as usual' as best we can. Covid-19 has instilled much fear in people and thankfully we appear to be on the road to near full recovery, but much damage has been left in its wake.

Brexit has now happened and has brought some degree of certainty but also much confusion. Agribusinesses are adapting well and will continue to do so, and I am therefore confident that the best possible outcomes can be achieved for the farming sector.

2020 was a reasonable year for prices despite the predictions this time last year. Indeed, milk prices were slightly up on 2019, beef recovered a little, with sheep prices showing a welcome increase, but pig prices were impacted severely. Grain harvest prices also received a much-needed boost. Weather was generally conducive to farming, particularly for growing grass, although we had a touch of drought in early summer and a great deal of rain at harvest.

The silver lining to Covid-19 was that a lot of improvement work was carried out on-farm. Labour, including family labour was more readily available and utilised. Capital investment was restricted and for many it was a time to take stock and re-evaluate. As ever, the resilience of the farming sector was to the fore. Some challenges for our sector were deferred, as focus shifted to dealing with Covid-19, but these challenges are back as strong as ever now in 2021. It is important we do all within our power in the years ahead to enhance the reputation of agriculture and also to challenge the commentary that seeks to do otherwise. I am confident we have enough farmer-funded and represented organisations in this country to get our message across.

I leave my position as Chairman, proud in the knowledge that we have a strong vibrant Society which has enhanced the lives and economy of our catchment area for many years. My strong wish is that we continue to serve the communities in which we operate and in doing so, serve you our farmer shareholders and suppliers to the best of our abilities.

Turnover for 2020
€105.3m

Milk Supply Growth
7m litres

Financial Performance

Turnover for a third consecutive year has exceeded €100m, reaching €105.3m. This is more than a milestone — it represents significant economic activity in our relatively small geographical area. Much of that growth arose from increased milk supply but we had also a strong performance from our branch network as we benefitted from both increased activity and our designation as an essential retail business.

Operating profit improved significantly to €1.98m and additionally we had strong Other Operating Income of €936,000. There was a negative move on investments of €635,000, leaving a profit before tax of €2.285m. The tax charge for the year was reduced due to a credit arising from Deferred Tax so we were able to report an after tax profit of €2.239m.

Equity Shareholders' Funds on the Balance Sheet increased by almost €2m to €55.8m.

Milk Review

Milk supply growth was 7m litres or 4%, continuing the trend since the abolition of quotas. Recent announcements curtailing growth at peak will have some impact, but we still anticipate that our 2020 volume of 180.5m litres will reach 200m over the coming two to three years. In my report last year, I flagged up the possibility of the introduction of measures to try and flatten the milk supply curve. These measures have now come to pass but we did make strong and ultimately successful representations to try to mitigate their impact, particularly on smaller suppliers. Average manufacturing price paid in 2020 was 34.29c, a very slight increase on 2019, but still substantially more than anticipated last Spring. There was a slight increase in constituent levels contributing to the overall increased price, average Butterfat reaching 4.176% and Protein 3.537%. There was a slight fall off however in the volumes of milk achieving the SCC bonus, down from 72.6% to 69.9%.

Stores Review

Our Stores Division had an exceptionally busy year, with queues outside some branches for a significant part of the year. The good grass growing year did impact on the sales of feed and fertiliser, but that was more than balanced by increased sales of Hardware, Building Materials, Clothing and some other agri categories such as Seed and Dairy Hygiene. Into 2021, we can still see the impact of the repeat business of a host of new customers, who visited us for the first time last year. Our continued investment and commitment to customer service continues to pay dividends. The performance of our stores division in recent years has underpinned many of the initiatives we have been able to take including loyalty bonus schemes.

Feed & Grain Review

Despite continued growth in sales of Dairy feed, overall sales of feed declined due to significantly reduced demand for Beef feed. The recent significant investments along with the introduction of some structural changes, has led to improvements in both overall performance and profitability. We are in a strong position to meet customer needs in the years ahead and our dairy range remains the focus of our growth strategy. Despite increased competition as the beef market

declines, we are confident of our ability to produce quality feed incorporating top-quality ingredients and to deliver to customers at competitive prices within an efficient timeframe.

Grain intake during 2020 was 3,000 tonnes below our historic normal levels. Poor weather at the back end of 2019 resulted in reduced sowings of winter cereals and when combined with a national overall reduced acreage, the reduction was anticipated. We do expect some growth recovery for 2021, but maybe not back to historic norms. Poor weather delayed the spring harvest till the last days of August and for some it became a salvage operation, cutting at high moistures. This did have an impact on our drying operations. We retain a strong commitment to the grain growers of our area and that was once again reflected in the excellent prices paid for 2020 supply. Barley including full bonuses reached €159 with Wheat at €183; VAT and Haulage were paid for additionally, where applicable.

Liquid Milk Review

I am pleased to report on a successful launch of our Tipperay Fresh non-GMO product. Delayed somewhat by Covid-19 restrictions, the sales graph continues to show growth to date. Whilst we still have some way to go to proclaim it an economic success story, the signs are positive. The shutting of the catering trade and schools for much of the year due to Covid-19 did have an impact on our remaining business, particularly the important Cream business. On a positive side, the supermarket business flourished. Whilst overall, the liquid milk business remains challenging, we are hopeful of a successful outcome to our investment in Tipperary Fresh.

Stockproof Fencing Products

Stockproof saw good growth in its underlying business and whilst margins tightened even further, it performed extremely well throughout the year and continues to make a strong contribution to the Society.

Bramblemore

Contracts for the sale of our pig unit were signed last August and we will be close to having exited the business by our AGM. Once again, price volatility was extreme, with a negative impact due to Covid. The results are shown separately as Discontinued Operations and you will see a break-even position for 2020, which unfortunately was not in line with expectations at the start of the year. I would like to thank our staff over the years at Bramblemore, those who served on its Board, and also our Committee and Management for their efforts during our 20 year involvement.

Agricultural Scholarships

Our Agricultural Scholarship Scheme continued during 2020 with just one applicant receiving €750, namely James Maher from Templetuohy, attending Kildalton.

Bonus Shares

The Committee policy of issuing Bonus Shares based on Milk Supply, Grain Supply and Trading continues. In 2020, we issued 335,147 Bonus Shares as follows: 1 share per 5,375 litres of milk supplied; 1.1 shares per tonne of grain supplied; and 1 share per €72 of trading. The proposal for the upcoming AGM will see a significant enhancement as the allocation is based on the performance of the business which was excellent for 2020.

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. A Health & Safety Committee representative of staff is in place with external expertise.

Outlook for 2021

The nature of constant change in agriculture, makes it extremely difficult to predict the future. This time last year, I was pessimistic on milk prices which thankfully proved to be unfounded. All the indicators are that we can anticipate a positive year in the dairy markets, which will contribute to a return on the investments made post-quota. Prices for other farm outputs also look to be tentatively positive. However, we are seeing significant cost increases across the board. Fertiliser, feed, oil, steel, wrap, etc. are all seeing strong upward moves. These increases will eat into margins on-farm.

We are preparing for a limit on peak milk production from 2022 through to 2024. I am hopeful that this will be a short-term restriction and that those of our suppliers who have an opportunity to grow their milk supply, will be able to do so in the near future. The overall challenge remains however — the seasonal nature of milk supply requires processing facilities for peak production. The remainder of the year sees on average 50% under-utilisation of these facilities. The costs of inefficiency as always are borne by the supplier. There needs to be a willingness to engage in an industry-wide discussion as to how best to plan and utilise future investment in our industry, though improving the existing collaborations.

We have signed up to the Teagasc Signpost Programme and hope to announce a demonstration farmer in the near future. This programme seeks to reduce emissions from milk production, particularly greenhouse gasses and ammonia. It also looks to reduce the carbon footprint, improve biodiversity, build on soil health and improve the protection of watercourses. It is important that we all contribute to these improvements, as sustainable farming will be a key feature of all discussions around farming in the years ahead.

Covid-19 remains a challenge to our business and one which we are coping with admirably. The vaccination programme seems to be going well, albeit with some blips to the roll-out. The sooner life returns to normal the better. We have all learned to adapt during the pandemic, and I'm sure some of the necessary learnings will benefit us in the years ahead as we go about our daily lives. I would like at this stage to acknowledge the ongoing trojan efforts of all our staff, to ensure our business carried on as best as possible during the crisis.

Having acknowledged the efforts of staff, I would also like to thank you our shareholders for your co-operation and commitment over the last 15 months or so. I would also thank all our customers, new and existing, and hope they find all our branch locations good places to do business in. Our management who produced such excellent financial results through the difficult period also need to be commended. The support and advice provided to me during 2020 and for eight years now, by our Committee of Management has been exceptional. Our Vice-Chairmen, Paddy Daly and Noreen Barry were called on even more so during the crisis and I can honestly say that my job as Chairman would have been exceedingly more difficult without their wisdom. I depart my role in the knowledge that we have a well-run and well-structured business to serve our stakeholders for many years to come.

Five Year
Financial Review

	2020 €,000	2019 €,000	2018 €,000	2017 €,000	2016 €,000
Dairy turnover	63,537	60,736	58,689	58,956	41,766
Agricultural goods turnover	40,082	39,404	43,589	34,546	32,991
Pig turnover	1,656	1,658	1,390	1,617	1,461
Total turnover	105,275	101,798	103,668	95,119	76,218
Operating profit/(loss)	1,984	784	857	1,455	(412)
Profit/(loss) before tax	2,285	1,037	(5,233)	1,241	(914)
Taxation	(46)	(285)	(1,985)	(161)	(180)
Retained profit/(loss)	2,239	752	(3,247)	1,402	(734)
Equity shareholders' funds	55,802	53,850	52,644	56,215	54,379
No. of milk suppliers	337	337	338	342	352

Centenary Thurles Co-operative Society Ltd.

Consolidated Financial Statements for the year ended 31st December 2020

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 2018. 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 2018.

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*
8th April 2021

Auditors' Report

Opinion

We have audited the Group consolidated financial statements of Centenary Thurles Co Operative Society Limited for the year ended 31 December 2020, 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 Co Op 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 2020 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 Acts 1893 to 2018

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

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 Management's Responsibility 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 Management's 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 Group's 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 Society Acts, 1893 to 2018. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brendan Mullaly
For and on behalf of

RBK Business Advisers
Chartered Accountants and Statutory Audit Firm
RBK House, Irishtown, Athlone, Co. Westmeath

8th April 2021

Consolidated Profit and Loss Account for the year ended 31st December 2020

	Notes	Continued Operations 2020	Discontinued Operations 2020	2020 Total €	Continued Operations 2019	Discontinued Operations 2019	2019 Total €
Turnover	3	**103,618,918**	**1,655,924**	**105,274,842**	**100,140,715**	**1,657,805**	**101,798,520**
Cost of sales		**(90,687,213)**	**(1,339,492)**	**(92,026,705)**	**(88,099,949)**	**(1,196,484)**	**(89,296,433)**
Gross profit		**12,931,705**	**316,432**	**13,248,137**	**12,040,766**	**461,321**	**12,502,087**
Operating costs		(9,876,377)	-	(9,876,377)	(9,680,789)	-	(9,680,789)
Administrative expenses		(1,077,146)	(310,953)	(1,388,099)	(1,633,695)	(403,928)	(2,037,623)
Operating profit		**1,978,182**	**5,479**	**1,983,661**	**726,282**	**57,393**	**783,675**
Other operating income	7	935,652	200	935,852	794,423	200	794,623
Profit before tax and Fair Value movement		2,913,834	5,679	2,919,513	1,520,705	57,593	1,578,298
Fair value movements	8	(634,932)	-	(634,932)	(541,296)	-	(541,296)
Profit before tax		2,278,902	5,679	2,284,581	979,409	57,593	1,037,002
Tax on profit	9	(48,822)	2,914	(45,908)	(282,906)	(2,511)	(285,417)
Profit for the year		**2,230,080**	**8,593**	**2,238,673**	**696,503**	**55,082**	**751,585**

The financial statements were approved by the board on 8th April 2021 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 34–51 form part of these Accounts.

Consolidated Statement of Comprehensive Income for the year ended 31st December 2020

	2020 €	2019 €
Profit on ordinary activities after taxation	**2,238,673**	**751,585**
Other comprehensive income		
Actuarial (loss)/gain on pension obligations	(324,999)	599,000
Movement on deferred tax relating to pension (loss)/gain	40,625	(74,875)
Other comprehensive income for the year	(284,374)	524,125
Total comprehensive income for the year	**1,954,299**	**1,275,710**

The financial statements were approved by the board on 8th April 2021 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 34–51 form part of these Accounts.

Consolidated Balance Sheet as at 31st December 2020

	Notes	2020 €	2019 €
Fixed assets			
Tangible assets	10	13,855,679	14,689,671
Investments	11	20,801,897	21,183,615
Intangible assets	12	57,275	71,594
		34,714,851	35,944,880
Current assets			
Stocks	13	8,799,825	9,526,308
Debtors	14	9,867,055	10,961,382
Cash at bank and in hand	15	11,791,188	5,184,110
		30,458,068	25,671,800
Creditors: amounts falling due within one year	16	**(8,233,641)**	**(6,128,716)**
Net current assets		**22,224,427**	**19,543,084**
Total assets less current liabilities		**56,939,278**	**55,487,964**
Creditors: amounts falling due after more than one year	17	**(100,139)**	**(103,809)**
Deferred tax liability	18	**(1,166,076)**	**(1,905,229)**
Net assets excluding pension asset		**55,673,063**	**53,478,926**
Pension asset	24	129,231	371,488
Net assets including pension asset/liability		**55,802,294**	**53,850,414**
Capital and reserves			
Called up share capital	20	7,763,239	7,430,510
Share premium account	19	5,481,676	5,481,676
Capital reserve	19	39,398	39,398
Other reserves	19	206,949	2,251,854
Profit and loss account	19	42,311,032	38,646,976
Equity shareholders' funds		**55,802,294**	**53,850,414**

The financial statements were approved by the board on 8th April 2021 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 34–51 form part of these Accounts.

Co-op Balance Sheet as at 31st December 2020

	Notes	2020 €	2019 €
Fixed assets			
Tangible assets	10	8,499,748	8,684,616
Investments	11	20,831,695	21,213,412
		29,331,443	29,898,028
Current assets			
Stocks	13	22,362	49,706
Debtors	14	11,778,758	17,124,330
Cash at bank and in hand	15	9,486,897	2,390,060
		21,288,017	**19,564,096**
Creditors: amounts falling due within one year	16	**(7,524,052)**	**(5,887,972)**
Net current assets		**13,763,965**	**13,676,124**
Total assets less current liabilities		**43,095,408**	**43,574,152**
Deferred tax	18	(1,090,417)	(1,802,453)
Pension asset		164,135	238,479
Net assets		**42,169,126**	**42,010,178**
Capital and reserves			
Called up share capital	20	7,763,239	7,430,510
Share premium account	19	5,481,676	5,481,676
Capital reserve	19	39,398	39,398
Other reserves	19	206,949	2,251,854
Profit and loss account	19	28,677,864	26,806,740
Members funds		**42,169,126**	**42,010,178**

The financial statements were approved by the board on 8th April 2021 and signed on its behalf by:
***Jim Russell** Chairman, **Joe Kerrigan** Secretary.*
The notes on pages 34–51 form part of these Accounts.

Consolidated Statement of Changes in Equity as at 31st December 2020

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1st January 2020	**7,430,510**	**5,481,676**	**39,398**	**2,251,854**	**38,646,976**	**53,850,414**
Profit for the year	—	—	—	—	2,238,672	2,238,672
Actuarial gains on pension scheme	—	—	—	—	(284,374)	(284,374)
Transfer from other reserves	—	—	—	—	2,044,905	2,044,905
Capitalisation/bonus issue	—	—	—	—	(335,147)	(335,147)
Shares issued/ bonus shares issued during the year	348,684	—	—	—	—	348,684
Shares redeemed during the year	(15,955)	—	—	—	—	(15,955)
Fair value adjustment on disposals	—	—	—	774,519	—	774,519
Deferred tax adjustment on disposal				(2,347,029)		(2,347,029)
Fair value movements	—	—	—	(702,271)	—	(702,271)
Deferred tax on fair value movements	—	—	—	229,876	—	229,876
At 31 December 2020	**7,763,239**	**5,481,676**	**39,398**	**206,949**	**42,311,032**	**55,802,294**

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Consolidated Statement of Changes in Equity as at 31st December 2019

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1st January 2019	**7,177,949**	**5,481,676**	**39,398**	**3,424,371**	**36,520,193**	**52,643,587**
Profit for the year	—	—	—	—	751,585	751,585
Actuarial gains on pension scheme	—	—	—	—	524,126	524,126
Transfer from other reserves	—	—	—	—	1,172,517	1,172,517
Capitalisation/bonus issue	—	—	—	—	(321,445)	(321,445)
Shares issued/ bonus shares issued during the year	325,756	—	—	—	—	325,756
Shares redeemed during the year	(73,195)	—	—	—	—	(73,195)
Fair value adjustment on disposals	—	—	—	(1,045,396)	—	(1,045,396)
Deferred tax adjustment on disposal	—	—	—	344,981	—	344,981
Fair value movements	—	—	—	(704,630)	—	(704,630)
Deferred tax on fair value movements	—	—	—	232,528	—	232,528
At 31 December 2019	**7,430,510**	**5,481,676**	**39,398**	**2,251,854**	**38,646,976**	**53,850,414**

The financial statements were approved by the board on 8th April 2021 and signed on its behalf by:
Jim Russell *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 34–51 form part of these Accounts.

Co-Op Statement of Changes in Equity as at 31st December 2020

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1st January 2020	**7,430,510**	**5,481,676**	**39,398**	**2,251,854**	**26,806,740**	**42,010,178**
Profit for the year	—	—	—	—	277,840	277,840
Actuarial gains on pension scheme	—	—	—	—	(116,474)	(116,474)
Transfer from other reserves	—	—	—	—	2,044,905	2,044,905
Capitalisation/bonus issue	—	—	—	—	(335,147)	(335,147)
Shares issued/ bonus shares issued during the year	348,684	—	—	—	—	348,684
Shares redeemed during the year	(15,955)	—	—	—	—	(15,955)
Fair value adjustment on disposals	—	—	—	774,519	—	774,519
Deferred tax adjustment on disposal	—	—	—	(2,347,029)	—	(2,347,029)
Fair value movements	—	—	—	(702,271)	—	(702,271)
Deferred tax on fair value movements	—	—	—	229,876	—	229,876
At 31 December 2020	**7,763,239**	**5,481,676**	**39,398**	**206,949**	**28,677,864**	**42,169,126**

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Co-Op Statement of Changes in Equity as at 31st December 2019

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 January 2019	**7,177,949**	**5,481,676**	**39,398**	**3,424,371**	**25,721,262**	**41,844,656**
Profit for the year	—	—	—	—	17,920	17,920
Actuarial gains on pension scheme	—	—	—	—	216,486	216,486
Transfer from other reserves	—	—	—	—	1,172,517	1,172,517
Capitalisation/bonus issue	—	—	—	—	(321,445)	(321,445)
Shares issued/ bonus shares issued during the year	325,756	—	—	—	—	325,756
Shares redeemed during the year	(73,195)	—	—	—	—	(73,195)
Fair value adjustment on disposal	—	—	—	(1,045,396)	—	(1,045,396)
Deferred tax adjustment on disposal	—	—	—	344,981	—	344,981
Fair value movements	—	—	—	(704,630)	—	(704,630)
Deferred tax on fair value movements	—	—	—	232,528	—	232,528
At 31 December 2019	**7,430,510**	**5,481,676**	**39,398**	**2,251,854**	**26,806,740**	**42,010,178**

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Consolidated Cash Flow Statement for the year ended 31st December 2020

	2020 €	2019 €
Cash flows from operating activities		
Operating profit/(loss)	1,983,661	783,674
Adjustments for:		
Depreciation	1,182,954	1,238,501
Amortisation of capital grant	(3,670)	(7,340)
Amortisation of intangible assets	14,319	—
Decrease/(Increase) in stocks	726,483	(1,120,298)
Decrease in debtors	818,862	1,298,111
Increase/(Decrease) in creditors	2,075,241	(865,451)
Pension payments on defined benefit pension scheme	(340,741)	(334,999)
Other non - cash movements on defined benefit pension scheme	266,001	237,000
Corporation Tax	(438,361)	(773,566)
Net cash generated from operating activities	**6,284,749**	**455,632**
Cash flows from investing activities		
Payments to acquire tangible assets	(368,093)	(781,642)
Payments to acquire investments	(4,725,219)	(1,307,037)
Payments to acquire intangible assets	—	(19,959)
Receipts from sales of investments	4,472,005	1,013,133
Net cash proceeds from sale of assets	28,962	23,759
Interest received	25,510	29,034
Dividends received	886,204	751,640
Rental income	2,800	12,998
Sundry income	3,506	2,460
Net cash from investing activities	**325,675**	**(275,614)**
Cash flows from financing activities		
Increase in capital reserves	—	—
Issue of ordinary share capital	12,609	24,018
Repurchase of ordinary share capital	(15,955)	(73,195)
Net cash from/(used in) in financing activities	**(3,346)**	**(49,177)**
Net Increase/(Decrease) in cash and cash equivalents	**6,607,078**	**130,841**
Cash and cash equivalents at beginning of the year	5,184,110	5,053,629
Cash and cash equivalents at end of the year	11,791,188	5,184,110

The financial statements were approved by the board on 8th April 2021 and signed on its behalf by: ***Jim Russell*** *Chairman,* ***Joe Kerrigan*** *Secretary.*

The notes on pages 34–51 form part of these Accounts.

Notes to the Consolidated Financial Statements
for the year ended 31st December 2020

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 Acts 1893 to 2018.

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.

Depreciation is not provided on freehold land.

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.

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. Intangible assets

Intangible assets include development costs.

In accordance with Section 18 of FRS 102 the company recognises intangible assets when:

- The technical feasibility of completing the intangible asset is possible so that it will be available for use/sale and it is the company's intention to complete the intangible asset and use/sell it.
- The company has the ability to use it.
- It is probable that the intangible asset will generate future economic benefits.
- The company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be measured.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6. 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.

1.7. 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.

1.8. 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.

1.9. 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 out-right 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.

1.10. 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.

1.11. 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'.

1.12. Pensions

The society operates various defined benefit and contribution pension schemes.

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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 multi-employer schemes. 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.

1.13. 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.

1.14. 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 to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax 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 associated tax 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.

1.15. 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.

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

3. Turnover

	2020 €	2019 €
Milk	63,536,703	60,736,389
Agri Business	40,082,215	39,404,326
Pigs	1,655,924	1,657,805
	105,274,842	**101,798,520**

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

	2020 €	2019 €
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	1,182,953	1,238,501
Staff costs **(Note 5)**	5,618,482	5,598,705
Audit fees	48,910	48,000

5. Employees

	2020 €	2019 €
Wages and salaries	4,856,229	4,866,176
Social welfare costs	496,252	495,529
Pension service costs	266,001	237,000
	5,618,482	**5,598,705**

	2020 No.	2019 No.
The average weekly numbers of employees during the year were:		
Production and transport	23	24
Sales	74	75
Administration	22	22
	119	**121**

6. Key management personnel compensation

	2020 €	2019 €
The total benefits paid to key management personnel during the year are analysed below:		
Salary	914,318	870,017
Benefit-in kind	24,091	23,970
Current service costs of pension schemes	178,197	141,184
Committee members fees	48,150	55,088
Total	**1,164,756**	**1,090,259**

Key management personnel comprises the committee of management and the management who manage the business and affairs of the society.

7. Other operating income

	2020 €	2019 €
Deposit interest	25,510	29,034
Dividends	886,204	751,640
Profit on disposal of fixed assets	9,831	1,490
Rental income	2,800	12,998
Sundry income	3,506	2,460
Interest on pension scheme liabilities	8,001	(2,999)
	935,852	**794,623**

8. Fair value movements

	2020 €	2019 €
Unrealised loss	(702,272)	(704,630)
Realised gains	67,340	163,334
	(634,932)	**(541,296)**

9. Taxation

	2020 €	2019 €
Corporation tax		
Current year	(795,974)	(823,185)
Prior year	51,538	48,283
	(744,436)	**(774,902)**
Deferred tax		
Current year	698,528	489,485
	(45,908)	**(285,417)**

Factors affecting tax charge for the year	**2020 €**	**2019 €**
The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2019: 12.5%) as set out below:		
Profit on ordinary activities before Tax	2,284,581	1,037,003
Profit on ordinary activities multiplied by standard rate for the year of 12.5% (2019: 12.5%)	285,573	129,625
Effects of:		
Depreciation in excess of capital allowances	56,124	40,126
Pension adjustments	(10,616)	(1,358)
Income taxed at non-standard rates	67,345	55,638
Other timing differences	(427)	(30,631)
Expenses not deductible for tax purposes	16,184	753
Chargeable gains	328,638	466,318
Non taxable income	(20,920)	17,852
Adjustments in respect of prior period	(51,538)	(48,283)
Income tax suffered	28	62,483
Losses carried forward	—	27,767
Fair value adjustments	87,784	67,662
Foreign tax credits	(13,739)	(13,050)
Deferred tax	(698,528)	(489,485)
Current year taxation	**45,908**	**285,417**

10. Tangible fixed assets consolidated	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2020	19,670,830	9,667,421	4,568,525	2,901,603	36,808,379
Additions	15,854	10,996	59,040	282,203	368,093
Disposals	—	(437,756)	(539,007)	(365,172)	(1,341,935)
At 31st December 2020	**19,686,684**	**9,240,661**	**4,088,558**	**2,818,634**	**35,834,537**
Depreciation					
At 1st January 2020	8,258,127	8,230,567	3,549,947	2,080,067	22,118,708
Charge for the year	492,613	194,386	301,856	194,099	1,182,954
On disposals	—	(436,708)	(538,974)	(347,122)	(1,322,804)
At 31st December 2020	**8,750,740**	**7,988,245**	**3,312,829**	**1,927,044**	**21,978,858**
Net book values					
At 31st December 2020	**10,935,944**	**1,252,416**	**775,729**	**891,590**	**13,855,679**
At 31st December 2019	11,412,703	1,436,854	1,018,578	821,536	14,689,671

Included in Land & Buildings cost is €6,574,963 in respect of land which is not depreciated.

Co-op tangible fixed assets	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2020	10,887,573	80,130	1,486,918	1,599,758	14,054,379
Additions	—	—	21,835	188,514	210,349
Disposals	—	—	(15,848)	(122,037)	(137,885)
At 31st December 2020	**10,887,573**	**80,130**	**1,492,905**	**1,666,235**	**14,126,843**
Depreciation					
At 1st January 2020	3,202,784	77,897	1,027,172	1,061,910	5,369,763
Charge for the year	191,835	290	101,741	101,351	395,217
On disposals	—	—	(15,848)	(122,037)	(137,885)
At 31st December 2020	**3,394,619**	**78,187**	**1,113,065**	**1,041,224**	**5,627,095**
Net book values					
At 31st December 2020	**7,492,954**	**1,943**	**379,840**	**625,011**	**8,499,748**
At 31st December 2019	7,684,789	2,233	459,746	537,848	8,684,616

Included in Land & Buildings cost is €6,192,825 in respect of land which is not depreciated.

11. Consolidated investments

Available for sale financial assets	2020 €	2019 €
1. Listed		
At 1st January	20,367,371	20,613,330
Additions	4,725,219	1,307,036
Disposal	(2,414,369)	(2,548,349)
Unrealised revaluations	(702,272)	(704,630)
Realised revaluations	67,340	163,334
Cash Movement	(2,057,636)	1,536,650
At 31st December	**19,985,653**	**20,367,371**
2. Unlisted		
At 1st January	816,244	816,244
Additions	—	—
Disposal	—	—
Transfer from unlisted	—	—
Movement in fair value	—	—
At 31st December	**816,244**	**816,244**
Total	**20,801,897**	**21,183,615**

Co-op investments	2020 €	2019 €
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	20,367,371	20,613,330
Additions	4,725,219	1,307,036
Disposals	(2,414,369)	(2,548,349)
Unrealised revaluations	(702,272)	(704,630)
Realised revaluations	67,340	163,334
Cash Movements	(2,057,636)	1,536,650
At 31st December	**19,985,653**	**20,367,371**
2. Unlisted		
At 1st January	815,995	815,996
Additions	—	—
Disposals	—	—
Transfer from unlisted	—	—
Movement in fair value	—	—
At 31st December	815,995	815,996
Total	**20,831,695**	**21,213,415**

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

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.

12. Intangible Assets Consolidated

	Development Expenditure €	Total €
Cost		
At 1st January 2020	71,594	71,594
At 31st December 2020	**71,594**	**71,594**
Amortisation		
Charge for the year	**14,319**	14,319
Net book values		
At 31st December 2020	**57,275**	**57,275**
At 31st December 2019	**71,594**	**71,594**

13. Stocks

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Goods for resale	8,303,913	8,789,615	—	—
Expense	264,690	312,039	22,362	49,706
Livestock	231,222	424,654	—	—
	8,799,825	**9,526,308**	**22,362**	**49,706**

14. Debtors

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Trade debtors	7,364,685	7,856,208	1,035,362	737,310
Amounts owed by subsidiary undertakings	—	—	8,182,658	13,829,598
Amounts owed by milk debtors	1,528,648	1,490,922	1,528,648	1,000,409
VAT refund due	616,806	979,211	649,073	999,273
Corporation tax repayable	—	276,393	120,198	243,345
Amounts outstanding on called up share capital	16,213	15,285	16,213	15,285
Prepayments & other debtors	340,703	343,363	246,606	299,110
	9,867,055	**10,961,382**	**11,778,758**	**17,124,330**

15. Cash and cash equivalents

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Cash at bank and in hand	12,098,594	5,494,510	9,775,052	2,641,762
Less: bank overdrafts	(307,406)	(310,400)	(288,155)	(251,702)
	11,791,188	**5,184,110**	**9,486,897**	**2,390,060**

Bank Securities/Guarantees

AIB hold a charge over business premises at Main Street, Templemore, Co. Tipperary and a charge over business premises in Roscrea, Co. Tipperary. They also hold a set-off for principal and interest on a global guarantee worth €1,269,000.

Bank of Ireland hold a charge over business premises at Brittas Road, Thurles, Co.Tipperary.

16. Creditors: amounts falling due within one year

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Trade creditors & accruals	6,100,431	4,416,919	2,441,607	1,886,583
Amounts owed to group undertaking	—	—	3,080,476	2,380,818
Milk Price Volatility Fund	1,961,573	1,575,516	1,961,573	1,575,516
Corporation tax	29,682	—	—	—
PAYE/PRSI	141,955	136,281	40,396	45,055
	8,233,641	**6,128,716**	**7,524,052**	**5,887,972**

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

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Deferred Income	100,139	103,809	—	—

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 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Deferred tax is analysed over the following timing differences:				
Accelerated capital allowance	(57,833)	(20,861)	47,206	(20,861)
Other timing differences	25,017	—	—	—
Defined benefit pension obligations	(16,154)	(29,810)	(20,517)	(29,810)
Fair value adjustments	(1,117,107)	(1,854,558)	(1,117,107)	(1,751,782)
	(1,166,076)	**(1,905,229)**	**(1,090,417)**	**(1,802,453)**

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Movements on the provision for deferred taxation are:				
At 1st January	(1,905,228)	(2,319,838)	(1,802,453)	(2,278,744)
Credit to the profit & loss	698,652	489,480	695,397	507,218
Charged to OCI	40,500	(74,871)	16,639	(30,927)
At 31st December	**(1,166,076)**	**(1,905,229)**	**(1,090,417)**	**(1,802,453)**

19. Reserves

Share premium

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

Capital reserve

The capital reserve reflects the cancelled society shares and the rights attaching thereto.

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.

Movements in the above reserves are further detailed on pages 29 to 32.

20. Share capital

	Group 2020 €	Group 2019 €	Co-op 2020 €	Co-op 2019 €
Authorised, allotted, called up and fully paid				
7,763,239 (2019 – 7,430,510) Ordinary shares of €1	7,763,239	7,430,510	7,763,239	7,430,510

Included in the above figure is an amount included in debtors of €16,213 (2019: €15,285) for outstanding share contributions, which will be received post year end.

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 Products 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 2020 and 31st December 2019 is provided below:

	2020 €	2019 €
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.	3,079,116	3,068,930
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.	7,078,154	6,619,338
Amounts due (VAT inclusive) at 31st December in respect of trade accounts from certain Committee members and individuals who held office during the year or for part of the year including amounts due from their immediate family and connected companies.	570,481	592,798
Amounts due (VAT inclusive) at 31st December from advances to certain Committee members and individuals who held office during the year or for part of the year including amounts due from their immediate family and connected companies.	43,283	74,033
Amounts due (VAT inclusive) at 31st December from advances to certain Committee members and individuals who held office during the year or for part of the year including amounts due from their immediate family and connected companies.	165,040	126,056

23. Financial instruments group

	2020 €	2019 €
Financial assets		
Financial assets measured at fair value through profit or loss	19,985,653	20,367,369
Financial assets that are equity instruments measured at cost less impairment	816,244	816,246
Financial assets that are debt instruments measured at amortised cost	8,893,333	9,660,201
	29,700,908	**30,843,816**
Financial liabilities		
Financial liabilities measured at amortised cost	(6,100,431)	(4,416,919)
	(6,100,431)	**(4,416,919)**

- 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 2020 by a qualified independent actuary.

The major assumptions used by the actuary were:	**2020 %**	**2019 %**
Rate of increase in salaries	2.00	2.00
Discount rate	1.00	1.40
Inflation rate	1.10	1.30
Future pension increase	0.00	0.00

Mortality	**2020**	**2019**
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% ILTM15 with allowance for mortality improvements by increasing the value of pension for each year between 2014 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.	62% ILTF15 with allowance for mortality improvements by increasing the value of pension for each year between 2014 and year of retirement.

	2020	**2019**
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	2020 €'000	2019 €'000
Fair value of plan assets	17,751	16,964
Present value of funded obligations	(17,622)	(16,592)
Net asset at end of year	**129**	**372**

Amounts recognised in the profit or loss for year	2020 €'000	2019 €'000
Service cost (including scheme expense)	351	332
Less employee contributions	(85)	(94)
Company service cost	266	**237**
Interest cost	**193**	257
Interest income on plan assets	(201)	(253)
Net interest on the Net Defined Benefit Liability	**(8)**	**3**
Total	**258**	**241**
Actual return on income generating assets	812	2,321

Changes in the present value of the defined benefit obligation are as follows:	2020 €'000	2019 €'000
Opening defined benefit obligation	16,592	14,898
Company service cost	266	237
Employee contribution	85	94
Interest cost	193	257
Actuarial (gains)/loss	931	1,539
Benefits paid	(445)	(433)
Closing defined benefit obligation	**17,622**	**16,592**

Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	16,964	14,578
Interest Income on Plan Assets	201	253
Actuarial gains and (losses) arising on the plan assets	606	2,138
Employer contributions	341	332
Employee contributions	85	94
Benefits paid	(445)	(433)
Fair value of plan assets at end of the year	**17,751**	**16,964**

Remeasurement effects recognised in Other Comprehensive Income (OCI):		
Actuarial gains/ (losses) on liabilities	(931)	(1,539)
Actuarial gains and (losses) arising on the plan assets	606	2,138
Remeasurement effects recognised in OCI	**(325)**	**599**

Amount of the fair value of plan assets represented by major categories of assets:	2020 €'000	2019 €'000
Equities	7,589	7,485
Bonds	6,769	6,047
Property	797	831
Total	**15,156**	**14,363**
Value of annuity contracts matching pension in payment liabilities	2,595	2,600
Total	**17,751**	**16,964**

Amount for the current and previous four periods

Year ending 31 December	2020 €'000	2019 €'000	2018 €'000	2017 €'000	2016 €'000
Present value of funded obligations	(17,622)	(16,592)	(14,898)	(15,080)	(14,973)
Value of fund assets	17,751	16,964	14,579	15,011	14,351
Surplus/(deficit) in scheme	**129**	**372**	**(319)**	**(69)**	**(622)**

25. Capital commitments

There were no material capital commitments at the year end 31 December 2020.

26. Post balance sheet events

We have considered the impact of the Covid-19 pandemic on the Society using all available information up to the date of signing the financial statements and we have concluded that it is a non-adjusting post balance sheet event.

27. 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.

28. Subsidiaries

At 31st December 2020 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.

29. Approval of accounts

The accounts were approved by the Committee of Management on 8 April 2021.

Centenary Thurles
Co-operative Society Ltd

CENTENARY
Dairy

CENTENARY
Home & Garden

CENTENARY
Agri