Centenary Thurles
Co-operative Society Ltd

ANNUAL REPORT 2021

Strength through Co-operation

“It is change, continuing change, inevitable change, that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be.”

Isaac Asimov

Contents

Mission Statement	5
Notice of Annual General Meeting	6
General Society Information	7
Chairman's Report	14
Five Year Financial Review	20
2021 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

John Martin, Centenary Agri with
John Lanigan, Leigh Two-Mile Borris.

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.

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 8th June 2022 at Templemore Road, Thurles, at 8.00 p.m.

Agenda

- Minutes of the previous Annual General Meeting.
- To consider the Financial Statements for the year ended 31st December 2021 and the Report of the Auditors.
- The Election of Auditors for 2022.
- 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*
Dated 12th May 2022

General Society Information

Committee Members at 31st December 2021

Chairman
Paddy Daly

Vice—Chairmen
Noreen Barry, Pat Kennedy

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
Jim Russell, Ballyduag

Loughmore
Ned Ryan, Whitefield
Tom Maher, Kilcoke

Templetuohy
Padraig Costigan, Toher
William Maher, Tullow

Cashel
John Cronin, Freighduff
Noel O'Connor, Rathcowan
Brendan Ryan, The Commons
Tom Shanahan, Kingstown

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
Joe Smyth, Cooraclevin
Mervyn Stanley, Woodville
Patrick Whyte, Ballystanley

Castleiney
Gerry Laffan, Kilcurkee
Tim Maher, Kilcurkee

Killea
Michael Egan, Park

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

Investment in our future growth

In the face of ongoing challenges our stores division in recent years has provided the backbone for group financial performance. Our continuing investment programme has seen us reap the rewards, as we are becoming the choice destination of our non-traditional target audience, across the county and beyond.

Ultan Nesbitt,
Centenary Home & Garden.

Jack, Katie, John, Debbie and Eoin Sheridan of Killoskehane, Drom on their Signpost Farm.

Agile Agri leads the way

Further scientific advances are required to meet our twin aspirations of protecting the environment, whilst farming in a financially stable manner. There is a real opportunity to create a more agile agricultural environment, one that helps us adapt and sustains us longterm.

The Teagasc Signpost Programme exists to lead and support the transition of Irish farming towards more sustainable farming systems. The learnings from the programme will help all of us to meet some of the targeted emissions reductions in the coming years.

A winning partnership

It's at times like these we need to invest in our future. Our focus continues on growing niche brands including Thurles Fresh Milk and our new dairy product Tipperary Fresh, produced by cows that have an exclusively non-GMO diet.

Despite being hit by the pandemic, Tipperary Fresh volumes continue to grow from strength to strength. As a sign of our commitment to the brand, we embarked on a high-profile sponsorship with Rachael Blackmore. The partnership has worked well for the brand, as Rachael's profile has grown, winning several awards after a successful year racing.

Rachael Blackmore, superstar jockey, for Tipperary Fresh.

Chairman's Report
Paddy Daly

From a business perspective, 2021 was a mostly successful year. Turnover for a fourth consecutive year has exceeded €100m, and has now reached a record €123m.

It was a privilege for me to be elected Chairman of Centenary Thurles last June. Whilst it is indeed an honour, I am acutely aware that the position also comes with a great degree of responsibility. Having served you as Vice-Chairman for eight years, I believe I have the indepth knowledge of both the unique challenges and opportunities that face our organisation. I am also conscious that we are not above criticism, nor should we be, but I believe that the Committee, Management and Staff are acting in the best interests of the Society and its Shareholders. The last couple of years have clearly demonstrated this. We may not be able to please all our shareholders all the time, but we are committed to getting most of the major decisions right.

As I approach the conclusion of my first year as Chairman of this Society, I am pleased to report to you on our performance for last year. We have faced many challenges in recent years and 2021 was no different. The year opened with a severe lockdown, which extended for many months, before some respite over the summer and autumn. Despite the disruption and the increased number of Covid cases, particularly later in the year, our focus remained on keeping all of our activities operating - retail, production, administration and transport. Whilst we did encounter some difficulties, we were thankfully able to achieve this. Our interaction with shareholders and Committee Members was not what was desired. All our Board Meetings were held via Zoom as was our AGM. Indeed, we had new Committee Members elected in 2021 that we are only now getting to meet in person.

At this stage, I would like to pay a deserved tribute to Jim Russell who retired as Chairman at last year's AGM, but who remains on the Board and continues to make a valuable contribution. Jim led the Society in good times and not so good, including through the abolition of milk quotas. He continues to have a deep knowledge of the Dairy Industry, including ICOS and Ornua, both of which he continues to serve as a board member. I acknowledge and thank Jim for his commitment and dedication to the Society throughout his eight years as Chairman. I would also like to congratulate Pat Kennedy on his election as Vice-Chairman last June.

Financial Performance

From a business perspective, 2021 was a mostly successful year. Turnover for a fourth consecutive year has exceeded €100m, and has now reached a record €123m. We had growth across most of the Society although it must be acknowledged that much, but not all, of that growth was down to price inflation.

Operating profit improved steadily to €2.18m and was bolstered by Other Operating Income of €816,000. The positive movement in the fair value of our investments was an impressive €3.32m, leaving a profit before tax of €6.32m. The tax charge for the year, much of it deferred tax on the growth in the value of investments, amounted to €1.51m, leaving us to report an after tax profit of €4.815m. This position was further improved by an after tax gain on the valuation of our defined benefit pension scheme of €619m, resulting in Total Comprehensive Income for the year of in excess of €6.4m.

Equity Shareholders' Funds on the Balance Sheet also grew by €6.4m to a record €62.2m.

Milk Review

Milk supply growth remained strong in 2021. Our intake reached 189.15m litres, an increase of 8.65m litres or 4.79%. Our ambition to reach 200m litres over the next two years may however have to be curtailed somewhat.

In March 2021, a Peak Supply Management Policy incorporating a Retirement Scheme was announced. Thankfully, the Supreme Court ruling earlier this year has paved the way for additional processing facilities to come on stream, probably during 2024. The supply growth restriction issue was however further exacerbated when in November 2021, the Government announced its Climate Action Plan, with the ambitious target to achieve a 51% reduction in greenhouse gas emissions by 2030. Agriculture is tasked with making a significant contribution to the target by achieving a 22-30% reduction in emissions by 2030, the final exact percentage may have been announced by the time you read this. This will place further constraints on farmers' ability to increase supply. Whilst the detail still has to be worked out, there is no doubt but that measures still to be announced will constrain supply into the future. Further scientific advances are required to meet our twin aspirations of protecting the environment, whilst farming in a financially stable manner.

Average manufacturing price paid in 2021 was 40.61c, more than 6c ahead of 2020. The combination of increased supply and increased milk price contributed almost €15m in additional revenue to our suppliers. The wider local economy would have shared in and been a significant beneficiary of the increased revenue in circulation. It is however acknowledged that whilst weather conditions were favourable for milk supply, input costs also rose significantly during the year. Milk Constituent levels continued to edge upwards with average Butterfat now reaching almost 4.20% and Protein 3.55%. One slight concern after years of significant progress, is the fall off in milk volumes achieving the SCC Bonus — down now to 65.8%, the second consecutive year of a reduction.

Stores Review

2021 saw a second year of the 'covid-bounce' in our Stores Division. Not far off the same level volume wise as 2020, we were extremely busy with constantly evolving price changes, logistical issues and significant growth in fertiliser sales (12%), particularly at the back-end of the year. Our stores division in recent years has provided the backbone for group financial performance. Our ongoing investment programme has seen us reap the rewards as across our catchment area, we are becoming the choice destination of our non-traditional target audience. Roscrea, Cashel and Loran were the focus of our investment programmes last year.

Our Retail Manager, Eamon Healy, who was tasked with improving branch performance, retired earlier this year, and has left solid foundations in our branch network and performance, that his successor Michael Grant can build on. I wish them both well in their new arrangements.

2022 looks like it could be a different year entirely. Price inflation continues in our sector, but equally significant increases in the CPI are affecting household income and spending power. The cost of energy is the principle underlying cause of the exorbitant increases.

The sale of animal medicines is hugely important to our trading division, particularly our more agri-focused branches. Legislation introduced earlier this year is likely to place additional costs on customers and reduce the level of trade carried out through co-ops. Antimicrobials can now only be dispensed on foot of a prescription and as I write, a similar position is envisaged for antiparasitics from 1st June. Time will tell whether the desired impact of the Regulations, i.e. reduced blanket treatment and use of medication, will be achieved or whether there will actually be a shift in the retail base for sales.

Feed & Grain Review

Manufactured output from Centenary Feed & Grain fell by only 1.2% despite our decision to exit the pig business. The impact of this decision caused a reduction of 2,200 tonnes in output, but was made up for by growth in our dairy feed business. We had a very successful harvest, with intake growing by 3,000 tonnes to our traditional level of almost 20,000 tonnes. A well-managed drying and production schedule ensured we were able to cater for all our grain at Ballyduff, without recourse to outside drying and storage facilities. Growers benefitted from excellent yields and significant price increases over 2020, e.g. €53 per tonne + VAT for Barley and Oats. Feed Price increases were a natural follow on, but we delayed the implementation of and extent of the increases for as long as we could possibly do.

Liquid Milk Review

An impact of the very welcome higher milk prices, which have continued their upward trend into 2022, was to put an already struggling Irish consumer foods industry under more pressure. Thurles Fresh Milk, despite its non-reliance on the own-label market is not exempt from those difficulties. Our focus is on growing niche brands including Thurles Fresh Milk and our offering produced from cows fed only non-GMO feed, Tipperary Fresh. Despite being hit by the pandemic, Tipperary Fresh volumes continue to go from strength to strength. As a sign of our commitment to the brand/concept, we embarked on a high-profile sponsorship with Rachael Blackmore as our ambassador. Subsequent to announcing this partnership, Rachael's profile was further enhanced through the winning of many of the prestigious Sports Stars of the year awards.

Whilst our liquid milk business is currently loss-making, we are actively monitoring the potential solutions. Aside from producing the higher-margin niche products, further price increases in the marketplace must be part of the solution. This business is also a high consumer of energy and suffering from higher production costs as a result. On a positive note, volumes continue to edge upwards.

Stockproof Fencing Products

In 2002, we purchased the Stockproof Fencing Products business. Over the last 20 years, it has been proven to be a successful acquisition. We have had many headwinds, particularly in the face of stiff competition, but have met the challenges year after year. Tornado retains its reputation for producing quality wire and our sales are based on that solid reputation. Steel price increases in 2021 contributed to the reporting of record turnover, but activity also increased significantly, leading to an excellent year overall. Since the year end, the Tornado company has been sold to a Swedish company, but as of now it is business as usual into 2022.

Bramblemore

One of the significant events of 2021 was the disposal of our piggery at Burncourt after 20 years in our ownership. Financially we had good years and bad years, but the rationale behind our original investment was to generate additional feed tonnes for our mill. At the time, the mill was operating to a level of only 50-60% of what is being produced today. Whilst the contract for sale was signed in 2020, we continued to operate until all pigs were finished in June 2021. Hindsight would show that our exit was not too soon, as this sector has since suffered from a combination of low pigmeat prices and high feed prices. Significant losses would now be accruing should we have retained ownership. I would like to acknowledge the contribution of our Managers over the years, Paudie Costelloe and Harry Morgan, for their dedication and commitment. Our investment served its purpose and came to a natural conclusion. The results are shown separately as Discontinued Operations and you will see a positive return for 2021.

Agricultural Scholarships

Our Agricultural Scholarship Scheme continued during 2021 with three successful applicants each receiving €750.

Tomás Teehan, Dunkerrin	**Gurteen**
Bill Ryan, Loughmore	**Gurteen**
David Hennessy Knock	**Kildalton**

Bonus Shares

The Committee policy of issuing Bonus Shares based on Milk Supply, Grain Supply and Trading continues. In 2021, we issued 425,316 Bonus Shares as follows: 1 share per 4,362 litres of milk supplied; 1.71 shares per tonne of grain supplied; and 1 share per €54 of trading. The allocation is based on the performance of the business annually and a further bonus share issue will be proposed at the upcoming AGM. The recent SGM confirmed the allocation of Glanbia plc shares, valued at in excess of €3m, direct to our shareholders — those who earn bonus shares each year, rightly benefit to a significant extent compared to those who do not. It is one of the principles of this Society to reward loyalty in many forms.

Teagasc Signpost Programme

May saw the launch of the Teagasc Signpost Programme. The objective of this programme is to lead and support the transition of Irish farming towards more sustainable farming systems. John and Debbie Sheridan of Killoskehane, Drom came on board last year to become our Signpost Farm and we thank them for that. I am sure the learnings from the programme will help all of us to meet some of the targeted emissions reductions in the coming years.

NDC/Kerrygold Milk Quality Awards 2021

Tommy Ormond was our nominee for the NDC/Kerrygold Milk Quality Awards and reached the final shortlist of six, ultimately receiving the Sustainability Award at the event held in conjunction with the Moorepark Open Day, 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. A Health & Safety Committee representative of staff is in place with external expertise.

Outlook for 2022

The nature of constant change in agriculture, makes it extremely difficult to predict the future. Who could have foreseen the challenges posed over recent times. 2022 will present further challenges for us, with the War in Ukraine the main focal point. Brexit and Covid have taken somewhat of a back seat as the War dominates, but who can say that a new serious strain of Covid will not erupt again in the near future. The increasing sanctions on Russia and the lack of significant alternative sources will likely put additional price pressure on energy. This may further fuel inflation and potentially lead to recession, if and when demand for products and services declines due to excessive pricing. It's at times like this that we need to invest in our future. I can confirm that additional resources have been applied recently to our marketing function, keeping your Society forefront in the minds of our customers.

Dairy, Beef, Sheep and Grain prices look positive for the year ahead, and need to be so, as Feed, Fertiliser and Oil prices are at exorbitant levels. The risk of product price reductions remains high in the medium term and it is hoped that ultimately when prices start to decline, that the input costs do likewise. We must hope for a soft landing for product prices. The fear is that some sectors could find themselves in a price squeeze. From the Society's point of view, we are monitoring the situation on a daily basis and doing all in our power to mitigate the risks.

The concerns of farmers are replicated in our own business with many of the same headwinds facing us. Chief amongst these is the knock-on effect on us of increased regulation restricting farmers' ability to expand. There has been a renewed and increased focus on environmental issues. Pressure is also being felt on labour availability, cash flow and credit facilities. We are working with customers who need access to additional credit and are taking into account both our past experience and their ability to pay. Having a strong Balance Sheet was never as important to the Society.

Committee Changes

Jerry Sutton retired at the AGM following 24 years' service on the Committee representing the Montore Electoral Area. Jerry also contributed to the greater discussions involving both this Society and the Co-Operative movement in general. Joe Smyth from Dunkerrin succeeded Jerry.

Tom Shanahan from Kingstown Cashel was elected to the Committee in November to replace Roger Kennedy who had retired from the Committee at the end of 2020.

The manner in which our staff and customers have faced the challenges posed in recent years is to be lauded. Our Society is a lot stronger as a result of these efforts. This can be seen in the excellent financial results produced. The commitment of our Committee of Management must also be acknowledged through these difficult times. As Chairman, that support is vital and I am grateful for the trust they have placed in me. Also vital is the support I received from our two Vice-Chairmen, Noreen Barry and Pat Kennedy. It is important that there is a strong link between the Committee of Management, our businesses and senior management. The contribution and advice of both Vice-Chairmen in fostering those links has been excellent. I would especially like to acknowledge the contribution of Noreen Barry, who will complete the maximum eight years as Vice-Chairman at the forthcoming AGM. Having been Chairman for a year now and previously Vice-Chairman alongside Noreen for seven years, I know first-hand of her commitment to achieving the best for this Society. Her integrity and dedication ensured the Society was always first and foremost in her contributions.

Finally, I would like to wish everyone well for the coming 12 months, hoping our worst fears don't come to pass and that the situation in Ukraine is resolved soon. We further look forward to 2023 and the 125th anniversary of our founding.

Five Year
Financial Review

	2021 €,000	2020 €,000	2019 €,000	2018 €,000	2017 €,000
Dairy turnover	77,677	63,537	60,736	58,689	58,956
Agricultural goods turnover	44,838	40,082	39,404	43,589	34,546
Pig turnover	700	1,656	1,658	1,390	1,617
Total turnover	123,215	105,275	101,798	103,668	95,119
Operating profit/(loss)	2,179	1,984	784	857	1,455
Profit/(loss) before tax	6,323	2,285	1,037	(5,233)	1,241
Taxation	(1,508)	(46)	(285)	1,985	161
Retained profit/(loss)	4,815	2,239	752	(3,247)	1,402
Equity shareholders' funds	62,233	55,802	53,850	52,644	56,215
No. of milk suppliers	338	337	337	338	342

Centenary Thurles Co-operative Society Ltd.
Consolidated Financial Statements for the year ended 31st December 2021

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 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.

Paddy Daly, *Chairman*
Joe Kerrigan, *Secretary*
7th April 2022

Auditors' Report

Opinion

We have audited the Group consolidated financial statements of Centenary Thurles Co Operative Society Limited for the year ended 31 December 2021, 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 2021 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

In auditing the financial statements, we have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Committee of Management with respect to going concern are described in the relevant sections of this report.

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 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 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 Societies 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

7th April 2022

Consolidated Profit and Loss Account
For the year ended 31 December 2021

	Notes	Continued Operations 2021	Discontinued Operations 2021	2021 Total €	Continued Operations 2020	Discontinued Operations 2020	2020 Total €
Turnover	3	**122,515,330**	**699,714**	**123,215,044**	**103,618,918**	**1,655,924**	**105,274,842**
Cost of sales		**(108,374,655)**	**(495,869)**	**(108,870,524)**	**(90,687,213)**	**(1,339,492)**	**(92,026,705)**
Gross profit		**14,140,675**	**203,845**	**14,344,520**	**12,931,705**	**316,432**	**13,248,137**
Operating costs		(10,608,938)	—	(10,608,938)	(9,876,377)	—	(9,876,377)
Administrative expenses		(1,429,924)	(126,837)	(1,556,761)	(1,077,146)	(310,953)	(1,388,099)
Operating profit		**2,101,813**	**77,008**	**2,178,821**	**1,978,182**	**5,479**	**1,983,661**
Other operating income	7	816,464	—	816,464	935,652	200	935,852
Profit before tax and Fair Value movement		2,918,277	77,008	2,995,285	2,913,834	5,679	2,919,513
Fair value movements	8	3,328,041	—	3,328,041	(634,932)	—	(634,932)
Profit before tax		6,246,318	77,008	6,323,326	2,278,902	5,679	2,284,581
Tax on profit	9	(1,563,670)	55,417	(1,508,253)	(48,822)	2,914	(45,908)
Profit for the year		4,682,648	132,425	**4,815,073**	2,230,080	8,593	**2,238,673**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *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 2021

	2021 €	2020 €
Profit on ordinary activities after taxation	**4,815,073**	**2,238,673**
Other comprehensive income		
Actuarial gain/(loss) on pension obligations	1,850,000	(324,999)
Movement on deferred tax relating to pension gain/(loss)	(231,250)	40,625
Other comprehensive income for the year	1,618,750	(284,374)
Total comprehensive income for the year	**6,433,823**	**1,954,299**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 34–51 form part of these Accounts.

Consolidated Balance Sheet as at 31st December 2021

	Notes		2021 €		2020 €
Fixed assets					
Tangible assets	10		12,500,378		13,855,679
Investments	11		24,387,024		20,801,897
Intangible assets	12		42,956		57,275
			36,930,358		34,714,851
Current assets					
Stocks	13	9,265,003		8,799,825	
Debtors	14	11,571,391		9,867,055	
Cash at bank and in hand	15	13,347,093		11,791,188	
		34,183,487		**30,458,068**	
Creditors: amounts falling due within one year	16	**(8,453,099)**		**(8,233,641)**	
Net current assets			**25,730,388**		**22,224,427**
Total assets less current liabilities			**62,660,746**		**56,939,278**
Creditors: amounts falling due after more than one year	17		—		**(100,139)**
Deferred tax liability	18		**(2,470,365)**		**(1,166,076)**
Net assets excluding pension asset			60,190,381		**55,673,063**
Pension asset	24		2,042,878		129,231
Net assets including pension asset			**62,233,259**		**55,802,294**
Capital and reserves					
Called up share capital	20		8,185,697		7,763,239
Share premium account	19		5,481,676		5,481,676
Capital reserve	19		39,398		39,398
Other reserves	19		1,742,864		206,949
Profit and loss account	19		46,783,624		42,311,032
Member's funds			**62,233,259**		**55,802,294**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 34–51 form part of these Accounts.

Co-op Balance Sheet as at 31st December 2021

	Notes		2021 €		2020 €
Fixed assets					
Tangible assets	10		7,938,605		8,499,748
Investments	11		24,416,822		20,831,695
			32,355,427		29,331,443
Current assets					
Stocks	13	43,801		22,362	
Debtors	14	10,991,038		11,778,758	
Cash at bank and in hand	15	10,574,793		9,486,897	
		21,609,632		**21,288,017**	
Creditors: amounts falling due within one year	16	(7,110,241)		(7,524,052)	
Net current assets			**14,499,391**		**13,763,965**
Total assets less current liabilities			**46,854,818**		**43,095,408**
Deferred tax	18		(2,310,912)		(1,090,417)
Pension asset			897,438		164,135
Net assets			**45,441,344**		**42,169,126**
Capital and reserves					
Called up share capital	20		8,185,697		7,763,239
Share premium account	19		5,481,676		5,481,676
Capital reserve	19		39,398		39,398
Other reserves	19		1,742,864		206,949
Profit and loss account	19		29,991,709		28,677,864
Members funds			**45,441,344**		**42,169,126**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
***Paddy Daly** 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 2021

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1st January 2021	**7,763,239**	**5,481,676**	**39,398**	**206,949**	**42,311,032**	**55,802,294**
Profit for the year	—	—	—	—	4,815,073	4,815,073
Actuarial gains on pension scheme	—	—	—	—	1,618,750	1,618,750
Transfer from other reserves	—	—	—	—	(1,535,915)	(1,535,915)
Capitalisation/bonus issue	—	—	—	—	(425,316)	(425,316)
Shares issued/ bonus shares issued during the year	477,061	—	—	—	—	477,061
Shares redeemed during the year	(54,603)	—	—	—	—	(54,603)
Fair value adjustment on disposals	—	—	—	(1,015,345)	—	(1,015,345)
Deferred tax adjustment on disposal	—	—	—	335,064	—	335,064
Fair value movements	—	—	—	3,307,756	—	3,307,756
Deferred tax on fair value movements	—	—	—	(1,091,560)	—	(1,091,560)
At 31 December 2021	**8,185,697**	**5,481,676**	**39,398**	**1,742,864**	**46,783,624**	**62,233,259**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
***Paddy Daly** 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	—	—	—	(2,347,029)	—	(2,347,029)
Deferred tax adjustment on disposal	—	—	—	774,519	—	774,519
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**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *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 2021

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1st January 2021	**7,763,239**	**5,481,676**	**39,398**	**206,949**	**28,677,864**	**42,169,126**
Profit for the year	—	—	—	—	2,674,395	2,674,395
Actuarial gains on pension scheme	—	—	—	—	600,681	600,681
Transfer from other reserves	—	—	—	—	(1,535,915)	(1,535,915)
Capitalisation/bonus issue	—	—	—	—	(425,316)	(425,316)
Shares issued/ bonus shares issued during the year	477,061	—	—	—	—	477,061
Shares redeemed during the year	(54,603)	—	—	—	—	(54,603)
Fair value adjustment on disposals	—	—	—	(1,015,345)	—	(1,015,345)
Deferred tax adjustment on disposal	—	—	—	335,064	—	335,064
Fair value movements	—	—	—	3,307,756	—	3,307,756
Deferred tax on fair value movements	—	—	—	(1,091,560)	—	(1,091,560)
At 31 December 2021	**8,185,697**	**5,481,676**	**39,398**	**1,742,864**	**29,991,709**	**45,441,344**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *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 1 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 disposal	—	—	—	(2,347,029)	—	(2,347,029)
Deferred tax adjustment on disposal	—	—	—	774,519	—	774,519
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**

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *Chairman,* ***Joe Kerrigan*** *Secretary.*
The notes on pages 34–51 form part of these Accounts.

Consolidated Cash Flow Statement for the year ended 31st December 2021

	2021 €	2020 €
Cash flows from operating activities		
Operating profit/(loss)	2,178,821	1,983,661
Adjustments for:		
Depreciation	1,207,672	1,182,954
Write off tangible assets	242,929	—
Amortisation of capital grant	—	(3,670)
Amortisation of intangible assets	14,319	14,319
(Increase) / Decrease in stocks	(465,178)	726,483
(Increase) / Decrease in debtors	(1,442,979)	818,862
Increase in creditors	148,998	2,075,241
Pension payments on defined benefit pension scheme	(346,645)	(340,741)
Other non - cash movements on defined benefit pension scheme	289,000	266,001
Corporation Tax	(703,111)	(438,361)
Net cash generated from operating activities	**1,123,826**	**6,284,749**
Cash flows from investing activities		
Payments to acquire tangible assets	(935,617)	(368,093)
Payments to acquire investments	(1,647,472)	(4,725,219)
Receipts from sales of investments	1,390,386	4,472,005
Net cash proceeds from sale of assets	840,317	28,962
Interest received	30,261	25,510
Dividends received	778,323	886,204
Rental income	2,600	2,800
Sundry income	2,280	3,506
Net cash from investing activities	**461,077**	**325,675**
Cash flows from financing activities		
Increase in capital reserves	—	—
Issue of ordinary share capital	25,605	12,609
Repurchase of ordinary share capital	(54,603)	(15,955)
Net cash from/(used in) financing activities	**(28,998)**	**(3,346)**
Net Increase/(Decrease) in cash and cash equivalents	**1,555,905**	**6,607,078**
Cash and cash equivalents at beginning of the year	11,791,188	5,184,110
Cash and cash equivalents at end of the year	13,347,093	11,791,188

The financial statements were approved by the board on 7th April 2022 and signed on its behalf by:
Paddy Daly *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 2021

1. Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Industrial and Provident Societies Acts 1893 to 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- The Group 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 Group 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 assets 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 group 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 group's intention to complete the intangible asset and use/sell it.
- The group has the ability to use it.
- It is probable that the intangible asset will generate future economic benefits.
- The group 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 society pays fixed contributions into a separate fund. Under defined contribution plans, the society 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 society pays contributions to privately administered pension plans on a contractual or voluntary basis. The society 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

	2021 €	2020 €
Milk	77,677,056	63,536,703
Agri Business	44,838,274	40,082,215
Pigs	699,714	1,655,924
	123,215,044	**105,274,842**

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

4. Profit on ordinary activities before taxation

	2021 €	2020 €
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	1,207,672	1,182,953
Staff costs **(Note 5)**	5,607,572	5,618,482
Audit fees	48,986	48,910

5. Employees

	2021 €	2020 €
Wages and salaries	4,822,775	4,856,229
Social welfare costs	498,797	496,252
Pension service costs	286,000	266,001
	5,607,572	**5,618,482**

	2021 No.	2020 No.
The average weekly numbers of employees during the year were:		
Production and transport	19	23
Sales	79	74
Administration	21	22
	119	**119**

6. Key management personnel compensation

	2021 €	2020 €
The total benefits paid to key management personnel during the year are analysed below:		
Salary	1,043,438	984,318
Benefit-in kind	24,334	24,091
Current service costs of pension schemes	198,996	184,620
Committee members fees	52,823	48,150
Total	**1,319,591**	**1,241,179**

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

7. Other operating income

	2021 €	2020 €
Deposit interest	30,261	25,510
Dividends	778,323	886,204
Profit on disposal of fixed assets	—	9,831
Rental income	2,600	2,800
Sundry income	2,280	3,506
Interest on pension scheme liabilities	3,000	8,001
	816,464	**935,852**

8. Fair value movements

	2021 €	2020 €
Unrealised gain/(loss)	3,307,756	(702,272)
Realised gains	20,285	67,340
	3,328,041	**(634,932)**

9. Taxation

	2021€	2020€
Corporation tax		
Current year	(523,882)	(795,974)
Prior year	**88,667**	51,538
	(435,215)	**(744,436)**
Deferred tax		
Current year	(1,073,038)	698,528
	(1,508,253)	**(45,908)**

Factors affecting tax charge for the year	2021 €	2020 €
The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2020: 12.5%) as set out below:		
Profit on ordinary activities before Tax	6,323,326	2,284,581
Profit on ordinary activities multiplied by standard rate for the year of 12.5% (2020: 12.5%)	790,416	285,573
Effects of:		
Depreciation in excess of capital allowances	60,522	56,124
Pension adjustments	(8,919)	(10,616)
Income taxed at non-standard rates	64,823	67,345
Other timing differences	(13,366)	(427)
Expenses not deductible for tax purposes	49,448	16,184
Chargeable gains	18,466	328,638
Non taxable income	(7,845)	(20,920)
Adjustments in respect of prior period	(88,667)	(51,538)
Income tax suffered	—	28
Fair value adjustments	(416,005)	87,784
Foreign tax credits	(13,658)	(13,739)
Deferred tax	1,073,038	(698,528)
Current year taxation	**1,508,253**	**45,908**

10. Tangible fixed assets consolidated

	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2021	19,686,684	9,240,661	4,088,558	2,818,634	35,834,537
Additions	154,714	83,621	373,825	323,457	935,617
Disposals	(1,698,607)	(736,888)	(248,251)	(377,235)	(3,060,981)
Write off	(242,929)	—	—	—	(242,929)
At 31st December 2021	**17,899,862**	**8,587,394**	**4,214,132**	**2,764,856**	**33,466,244**
Depreciation					
At 1st January 2021	8,750,740	7,988,245	3,312,829	1,927,044	21,978,858
Charge for the year	454,494	217,844	312,100	223,234	1,207,672
On disposals	(918,671)	(700,457)	(247,167)	(354,369)	(2,220,664)
At 31st December 2021	**8,286,563**	**7,505,632**	**3,377,762**	**1,795,909**	**20,965,866**
Net book values					
At 31st December 2021	**9,613,299**	**1,081,762**	**836,370**	**968,947**	**12,500,378**
At 31st December 2020	10,935,944	1,252,416	775,729	891,590	13,855,679

Included in Land & Buildings cost is €6,197,445 (2020: €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 2021	10,887,573	80,130	1,492,905	1,666,235	14,126,843
Additions	—	—	33,341	52,038	85,379
Disposals	—	—	(30,591)	(116,059)	(146,650)
Write off	(242,929)	—	—	—	(242,929)
At 31st December 2021	**10,644,644**	**80,130**	**1,495,655**	**1,602,214**	**13,822,643**
Depreciation					
At 1st January 2021	3,394,619	78,187	1,113,065	1,041,224	5,627,095
Charge for the year	191,834	276	101,146	110,337	403,593
On disposals	—	—	(30,591)	(116,059)	(146,650)
At 31st December 2021	**3,586,453**	**78,463**	**1,183,620**	**1,035,502**	**5,884,038**
Net book values					
At 31st December 2021	**7,058,191**	**1,667**	**312,035**	**566,712**	**7,938,605**
At 31st December 2020	7,492,954	1,943	379,840	625,011	8,499,748

Included in Land & Buildings cost is €5,949,896 (2020: €6,197,445) in respect of land which is not depreciated.

11. Consolidated investments

	2021	2020
	€	€
Available for sale financial assets		
1. Listed		
At 1st January	19,985,653	20,367,371
Additions	1,647,472	4,725,219
Disposal	(1,035,631)	(2,414,369)
Unrealised revaluations	3,307,435	(702,272)
Realised revaluations	20,285	67,340
Cash movement	(354,755)	(2,057,636)
At 31st December	**23,570,459**	**19,985,653**
2. Unlisted		
At 1st January	816,244	816,244
Additions	—	—
Disposal	—	—
Transfer from unlisted	—	—
Movement in fair value	321	—
At 31st December	**816,565**	**816,244**
Total	**24,387,024**	**20,801,897**

Co-op investments	2021	2020
	€	€
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		
At 1st January	19,985,653	20,367,371
Additions	1,647,472	4,725,219
Disposals	(1,035,631)	(2,414,369)
Unrealised revaluations	3,307,435	(702,272)
Realised revaluations	20,285	67,340
Cash movements	(354,755)	(2,057,636)
At 31st December	**23,570,459**	**19,985,653**
2. Unlisted		
At 1st January	815,995	815,995
Additions	—	—
Disposals	—	—
Transfer from unlisted	—	—
Movement in fair value	321	—
At 31st December	816,316	815,995
Total	**24,416,822**	**20,831,695**

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 2021	71,594	71,594
At 31st December 2021	**71,594**	**71,594**
Amortisation		
At 1st January 2021	14,319	14,319
Charge for the year	**14,319**	**14,319**
At 31st December 2021	28,638	28,638
Net book values		
At 31st December 2021	**42,956**	**42,956**
At 31st December 2020	**57,275**	**57,275**

13. Stocks

	Group 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Goods for resale	8,991,170	8,303,913	13,671	—
Expense	273,833	264,690	30,130	22,362
Livestock	—	231,222	—	—
	9,265,003	**8,799,825**	**43,801**	**22,362**

14. Debtors

	Group 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Trade debtors	7,078,728	6,928,774	465,215	599,451
Amounts owed by subsidiary undertakings	—	—	6,118,624	8,182,658
Amounts owed by milk debtors	2,442,263	1,964,559	2,442,263	1,964,559
VAT refund due	1,289,815	616,806	1,347,611	649,073
Corporation tax repayable	238,214	—	211,863	120,198
Amounts outstanding on called up share capital	42,353	16,213	42,353	16,213
Prepayments & other debtors	480,018	340,703	363,109	246,606
	11,571,391	**9,867,055**	**10,991,038**	**11,778,758**

Amounts owed by group companies are unsecured, interest free and repayable on demand.

15. Cash and cash equivalents

	Group 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Cash at bank and in hand	13,739,919	12,098,594	10,966,770	9,775,052
Less: bank overdrafts	(392,826)	(307,406)	(391,977)	(288,155)
	13,347,093	**11,791,188**	**10,574,793**	**9,486,897**

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 €3,000,000.

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

16. Creditors: amounts falling due within one year

	Group 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Trade creditors & accruals	6,090,641	6,100,431	2,938,377	2,441,607
Amounts owed to group undertakings	—	—	1,921,673	3,080,476
Milk Price Volatility Fund	2,211,573	1,961,573	2,211,573	1,961,573
Corporation tax	—	29,682	—	—
PAYE/PRSI	150,885	141,955	38,618	40,396
	8,453,099	**8,233,641**	**7,110,241**	**7,524,052**

Amounts owed to group companies are unsecured, interest free and repayable on demand.

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

	Group 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Deferred Income	—	100,139	—	—

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 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Deferred tax is analysed over the following timing differences:				
Accelerated capital allowance	24,838	(57,833)	41,109	47,206
Other timing differences	—	25,017	—	—
Defined benefit pension obligations	(255,360)	(16,154)	(112,180)	(20,517)
Fair value adjustments	(2,239,843)	(1,117,107)	(2,239,842)	(1,117,107)
	(2,470,365)	**(1,166,076)**	**(2,310,912)**	**(1,090,417)**

	Group 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Movements on the provision for deferred taxation are:				
At 1st January	(1,166,076)	(1,905,228)	(1,090,417)	(1,802,453)
Credit to the profit & loss	(1,073,039)	698,652	(1,134,683)	695,397
Charged to OCI	(231,250)	40,500	(85,812)	16,639
At 31st December	**(2,470,365)**	**(1,166,076)**	**(2,310,912)**	**(1,090,417)**

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 2021 €	Group 2020 €	Co-op 2021 €	Co-op 2020 €
Authorised, allotted, called up and fully paid				
8,185,697 (2020 – 7,763,239) Ordinary shares of €1	8,185,697	7,763,239	8,185,697	7,763,239

Included in the above figure is an amount included in debtors of €42,353 (2020: €16,213) 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 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 2021 and 31st December 2020 is provided below:

	2021 €	2020 €
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.	3,676,856	3,079,116
Purchases (VAT exclusive) from certain Committee members and individuals who held office during the year or part of the year including purchases from their immediate family and connected companies.	9,268,565	7,078,154
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.	791,881	570,481
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.	22,840	43,283

22. Related party disclosures continued

	2021 €	2020 €
Amounts due (VAT inclusive) at 31st December to certain Committee members and individuals who held office during the year or part of the year including amounts due to their immediate family and connected companies.	299,487	165,040

23. Financial instruments group

	2021 €	2020 €
Financial assets		
Financial assets measured at fair value through profit or loss	23,570,459	19,985,653
Financial assets that are equity instruments measured at cost less impairment	816,565	816,244
Financial assets that are debt instruments measured at amortised cost	22,868,084	20,684,521
	47,255,108	**41,486,418**
Financial liabilities		
Financial liabilities measured at amortised cost	(6,090,641)	(6,100,431)
	(6,090,641)	**(6,100,431)**

- 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, milk debtors and bank & cash.
- 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 2021 by a qualified independent actuary.

The major assumptions used by the actuary were:	2021 %	2020 %
Rate of increase in salaries	2.25	2.00
Discount rate	1.35	1.00
Inflation rate	2.10	1.10
Future pension increase	0.00	0.00

Mortality	2021	2020
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.

	2021	2020
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	2021 €'000	2020 €'000
Fair value of plan assets	19,202	17,751
Present value of funded obligations	(17,160)	(17,622)
Net asset at end of year	**2,042**	**129**

Amounts recognised in the profit or loss for year	2021 €'000	2020 €'000
Service cost (including scheme expense)	366	351
Less employee contributions	(80)	(85)
Company service cost	286	**266**
Interest cost	**148**	193
Interest income on plan assets	(151)	(201)
Net interest on the Net Defined Benefit Asset	**(3)**	**8**
Total	**283**	**258**
Actual return on income generating assets	1,701	812

Changes in the present value of the defined benefit obligation are as follows:	2021 €'000	2020 €'000
Opening defined benefit obligation	17,622	16,592
Company service cost	286	266
Employee contribution	80	85
Interest cost	148	193
Actuarial (gains)/loss	(493)	931
Benefits paid	(483)	(445)
Closing defined benefit obligation	**17,160**	**17,622**

Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	17,751	16,964
Interest Income on plan assets	151	201
Actuarial gains and (losses) arising on the plan assets	1,357	606
Employer contributions	346	341
Employee contributions	80	85
Benefits paid	(483)	(445)
Fair value of plan assets at end of the year	**19,202**	**17,751**

Remeasurement effects recognised in Other Comprehensive Income (OCI):		
Actuarial gains/ (losses) on liabilities	493	(931)
Actuarial gains and (losses) arising on the plan assets	1,357	606
Remeasurement effects recognised in OCI	**1,850**	**(325)**

Amount of the fair value of plan assets represented by major categories of assets:	2021 €'000	2020 €'000
Equities	8,185	7,589
Bonds	7,814	6,769
Property	802	797
Total	**16,801**	**15,156**
Value of annuity contracts matching pension in payment liabilities	2,402	2,595
Total	**19,202**	**17,751**

Amount for the current and previous four periods

Year ending 31 December	2021 €'000	2020 €'000	2019 €'000	2018 €'000	2017 €'000
Present value of funded obligations	(17,160)	(17,622)	(16,592)	(14,898)	(15,080)
Value of fund assets	19,202	17,751	16,964	14,579	15,011
Surplus/(deficit) in scheme	**2,042**	**129**	**372**	**(319)**	**(69)**

25. Capital commitments

As at 31 December 2021 the entity has capital commitments in the form of a purchase of a new Milk tanker to the value of €93,250 and pumping equipment for the milk tanker to the value of €34,639. Deposits for these assets were paid in FY2021.

26. Post balance sheet events

There were no events after the balance sheet date which requires disclosure.

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 2021 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%	Non-Trading
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 7th April 2022.

Centenary Thurles
Co-operative Society Ltd

CENTENARY
Dairy

CENTENARY
Home & Garden

CENTENARY
Agri