Centenary Thurles
Co-operative Society Ltd

Annual Report 2022

Rising to the challenge

“We have what we need, if we use what we have.”

— Edgar Cahn

Contents

Mission Statement	**5**
Notice of Annual General Meeting	**8**
General Society Information	**9**
Chairman's Report	**12**
Five Year Financial Review	**20**
2022 Finances	**21**
Committee of Management Responsibility Statement	**22**
Auditor's Report	**23**
Consolidated Profit & Loss Account	**26**
Consolidated Statement of Comprehensive Income	**27**
Consolidated Balance Sheet	**28**
Co-op Balance Sheet	**29**
Statements of Changes in Equity	**30**
Consolidated Cash Flow Statement	**32**
Notes to the Financial Statements	**33**

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.

Stores

Home & Garden turnover remains strong even as Covid 19 recedes, and our stores division continues to perform exceedingly well.

CENTENARY
Home & Garden

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 7th June 2023 at Templemore Road, Thurles, at 8.00 p.m.

Agenda

1. Minutes of the previous Annual General Meeting.
2. To consider the Financial Statements for the year ended 31 December 2022 and the Report of the Auditors.
3. The Election of Auditors for 2023.
4. To consider the Board's recommendation on the issue of bonus shares.
5. Any other business incidental to an Ordinary General Meeting.

Dated 18th May 2023

By Order

Joe Kerrigan,
Secretary.

General Society Information

Committee Members

at 31st December 2022

Chairman — Paddy Daly

Vice–Chairman — Pat Maher

Vice–Chairman — 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
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
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
Noreen Barry, Knocka
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

Milk

Average milk supply for 2022 was 577,000 litres, continuing the upward trend seen for many years now, and more than double the average just 10 years ago (albeit in the quota era), of 280,000 litres.

Chairman's Report

In 2023, we celebrate the 125th anniversary of our founding. The last 125 years have seen many changes globally, nationally and in our own businesses. The society can proudly reflect on having successfully navigated the challenges posed by, for example, the many wars including in our own country; financial crises; natural disasters; joining the EU; and major advances in technology and engineering. I wonder however, whether any single year in our proud history has been as eventful for our business as 2022.

The year started with us all continuing to live under the scourge of Covid-19 and it was towards the end of February before most of the major restrictions were lifted. Within days the Russian invasion of Ukraine had commenced, and resolution of that conflict appears as far away as ever today. Gas and Oil prices surged, leading to significantly higher inflation across the globe and a cost of living crisis for all. Interest rates, which had been at historically low levels for a decade, increased constantly and equity and bond markets lost a significant portion of their values.

Agricultural commodities were not immune from inflationary pressures. Output prices were a positive with average milk price up 20c per litre or 50% and grain price up €100 per tonne, also close to 50%. Input prices rose significantly however. Despite our commitment to providing inputs at best possible value, average fertiliser prices more than doubled, rising by €480 per tonne. Compound feed prices increased by an average of €100 per tonne or more than 30%. Oil price increases peaked in the middle of June, with the farmer paying double for MGO compared with 6 months' previously. Knock-on price increases were felt on other overheads including energy costs in particular.

To add to the series of global events, the Society suffered a cyber attack in late September, which took many months to recover fully from. Thankfully, we were able to restore our systems without having to engage with the attackers in any form. It did take a toll on our staff who had to adapt and keep the business going in as seamless a manner as possible, whilst systems were restored cautiously and prudently. I am proud of our response to ensure deadlines were met and in particular those related to our outgoing payments. We were therefore able to keep the impact of the attack on our customers to a minimum, albeit with some inconvenience.

Financial Performance

We are extremely pleased with our overall performance for 2022. Price inflation makes comparison difficult from year to year, but across the business units, I will endeavour to explain the underlying performances.

Turnover grew by €56m to €179m. The strength of the Co-Op, and particularly our Working Capital, was used to full effect last year. We were in a position to finance both stocks and credit facilities without additional recourse to financial institutions. This enabled our customers deal with their particular challenges, without additional pressure. We grew our Operating Profit by €100k to €2.28m and our Other Operating Income by €109k. This achievement is all the more impressive when you consider the impact on our liquid milk business of the milk price increases during the year, and the provision we set aside against fertiliser contracts entered into during 2022. Profits have been reported after deduction of our ongoing funding of loyalty bonus schemes and provision for our milk price volatility fund. The cost of these schemes exceeded €1m. The positive movement in the fair value of our investments of €1.98m needs to be counterbalanced by the Glanbia plc spin-out received during the year, at an initial value of €4.04m. Without that, the movement in fair value would be close to a €2m negative. The tax charge for the year of €1.29m, includes €604k related to Deferred Tax. An after-tax profit of €3.9m, is reported for 2022, further enhanced by an after-tax gain on the valuation of our defined benefit pension scheme of €539k, leaving Total Comprehensive Income for the year of in excess of €4.4m.

Equity Shareholders' Funds on the Balance Sheet also grew by €4.4m to a new record €66.6m.

Milk Review

Milk supply growth has flat-lined for the first time since the abolition of milk quotas. Our intake at 189.35m litres, is an increase of only 200,000 litres or 0.1%. Supplier numbers dropped by 10 to 328, after a number of years of relative stability, with the retirement scheme introduced in early 2022 encouraging 12 suppliers to cease. Average Supply for 2022 was 577,000 litres, continuing the upward trend seen for many years now, and more than double the average just 10 years ago, albeit in the quota era, of 280,000 litres.

Whilst all direct peak supply restrictions have been removed, other restrictions on output are being introduced. Agricultural emissions are targeted to reduce by 25% by 2030. Banding has been introduced with the effect that the higher yielding herds in particular, will have to reduce stocking rates. For many, increased acreage will be required to grow or even maintain individual supply levels. Land rental has become very expensive as a result, and that in itself is encouraging other active farmers to exit dairying or other enterprises. These changes must impact overall milk supply in the coming years. The demographics in farming appear to be shifting at a greater pace than ever before.

Average manufacturing price paid in 2022 was 60.96c, and as mentioned earlier more than 20c ahead of 2021. Our net milk payments increased by €34.4m during 2022, an effect that must have been felt across the wider local economy. In addition, we paid a further 1c per litre early in 2023, but based on 2022 supplies. Butterfat levels continued to improve with the average now reaching 4.26%. Average Protein remains steady at 3.55%. In 2022, this level of constituents combined with the increased payments for same, resulted in an average payment for constituents alone of a considerable 6.8c per litre.

Stores Review

Our stores division continues to perform exceptionally. Fertiliser sales volumes returned to average levels but well ahead of the market performance for 2022. Pricing and timing of purchases assisted with that. We did however take a financial hit on product purchased towards the end of 2022 for sale in 2023. In a volatile market, we took the decision to secure tonnes of fertiliser, despite the inherent financial risk. Despite this, we improved our overall operating profit for the year. Our turnover, excluding feed and fertiliser, was maintained, despite a little trepidation that the significant growth seen in 2020 and 2021 due to Covid, might not be maintained. This performance can be attributed to a number of factors — increased investment in branches; additional marketing resources and of course an element due to price inflation. During 2022, we completed our upgrade in Roscrea and commenced planning for a programme of upgrades in Littleton.

Legislation around the sale of antiparisitcs and vaccines has still not been enacted. Significant lobbying has stalled progress at the time of writing. Our experience with antimicrobials, which can now only be dispensed on foot of a prescription, is not good to say the least. Our animal medicines business has been impacted severely. 2022 saw a decline in sales of such products by 50% with a further 67% reduction reported year to date 2023. Over the two-year period (2021 to 2023) it looks like we will report a decline of in excess of 90% in such turnover. This disproves the claims by some that antimicrobials can still be purchased anywhere, the need for a prescription making no difference. The introduction of the promised portal for prescriptions never materialised. The battle against following a similar path with antiparisitcs must continue, to protect both farmers and rural branches in particular.

Liquid Milk Review

In common with all liquid milk businesses, 2022 was a difficult year financially. Price paid to suppliers increased by a welcome 19c per litre last year, but unfortunately price increases from the market couldn't keep pace. We did succeed in implementing two increases, our first since 2013 and should benefit somewhat this year, as a result. Given our historic market share and hence production efficiency, we need to achieve premium prices to have a viable business. Production issues during the year meant we had to out-source some of that production. Our focus remains on growing our niche brands of Thurles Fresh Milk and Tipperary Fresh - our offering produced from cows fed only non-gmo feed. We managed to grow sales of this brand by 15% during 2022 and by a further 19% in the first quarter of 2023. That trend needs to continue, as all businesses must generate returns to enable them re-invest for the future. We remain actively seeking solutions as this business has been loss-making for some years and requires the ongoing financial support of the Co-Op.

While challenges remain in the liquid milk sector, sales of Tipperary Fresh grew by 15% during 2022 and by a further 19% in the first quarter of 2023.

Feed & Grain Review

Manufactured output from Centenary Feed & Grain grew by 5%, or 6.6% excluding the impact of pig feed sales. We had exited that business during 2021. Cubing capacity increased with the installation of a new conditioner and motor. Further upgrade of the other cubing line was carried out early in 2023. We are working through a programme of investment with the main aim of improving efficiency. Grain Intake was at close to our normal level of 20,000 tonnes. We were able to store all product on site and low moistures and favourable weather enabled us to handle the vast majority of the intake efficiently. Heavy rain did impact the latter stages of the harvest however. Growers benefitted from price increases of in the region of €100 per tonne over 2021. The knock-on impact of this, earlier ingredient price increases and the cost of overheads, in particular electricity, meant that our average compound feed price increased by €100 per tonne also. We run our feed business deliberately to tight margins, allowing sufficient for re-investment. This model has served us well and in particular during 2022, when we were able to pass on the benefit to customers of cheaper native grain procured during the 2021 harvest.

Stockproof Fencing Products

Stockproof had another successful year of trading despite activity dropping somewhat due to the many steel price increases, particularly during 2021.

Agricultural Scholarships

Our Agricultural Scholarship Scheme continued during 2022 with four successful applicants each receiving €750.

Ronan Carroll (Loughmore) and Thomas Ryan (Two-Mile-Borris)
Kildalton

Michael Coffey (Killea)
Gurteen

William Maher (Thurles)
Pallaskenry.

Bonus Shares

The Committee policy of issuing Bonus Shares based on Milk Supply, Grain Supply and Trading continues. In 2022, we issued 387,058 Bonus Shares as follows: 1 share per 4,931 litres of milk supplied; 1.18 shares per tonne of grain supplied; and 1 share per €67 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.

We are also proposing a bonus share issue based on your current shareholding. We are proposing a bonus of 1 share for every 2 shares held at present. Additionally, we are proposing, should you so wish, that this bonus issue can be encashed within a given timeframe. We were unable last year to complete a spin-out of Glanbia plc shares, due to a refusal by Revenue to allow us the normal concession to spin these shares directly to our shareholders, without incurring an immediate tax liability. The 1 for 2 issue now proposed will act as some compensation for this and will transfer the wealth created in the Society from the spin-out directly to our shareholders. Those who have earned bonus shares over the years, benefit to a significantly greater extent compared to those who did not. It remains one of the principles of this Society to continue to reward loyalty through many guises.

We run our feed business deliberately to tight margins, allowing sufficient for re-investment. This model has served us well and in particular during 2022, when we were able to pass on the benefit to customers of cheaper native grain procured during the 2021 harvest.

NDC/Kerrygold Milk Quality Awards 2022

Brian & Lorraine Hogan of Horse & Jockey were nominated to represent us at the NDC/Kerrygold Milk Quality Awards and received the Herd Genetic EBI Award at the event held at Ballyvolane House Co. Cork, 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 will be 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 2023

The last few years have demonstrated that it is getting more and more difficult to predict the future, even short-term.

What does appear obvious at this stage, given our knowledge of the earlier part of 2023, is that all prices will be down, both output and input. It is safe also to assume that farm margins in all sectors will be lower. Milk price will be significantly lower for the peak and grain looks likewise for harvest time. Sheep prices have fallen but thankfully beef is stable at the time of writing. It is clear thankfully, that the cost of inputs is also falling. However, the impact over the critical spring cost period will not have been sufficient to balance out. Overheads such as oil and electricity are also lower which may help to limit the squeeze on margins.

The Society remains hopeful of a reasonable outturn to the year. We expect to sell much less fertiliser, but hope higher feed sales and a good performance from other divisions can go a long way to compensate. We expect a better year from liquid milk and further solid performances from our feed & grain and Stockproof businesses. Reduced cost of overheads will be most welcome in achieving a successful outcome for the year. The strength of the Society remains our Balance Sheet, helping us to navigate successfully the additional challenges posed during 2022 and those that may face us in the years ahead.

Committee Changes

John Cronin retired at the 2022 AGM following 20 years' service. John represented the Cashel Electoral Area and was an excellent contributor on many aspects of the Society's business, not confining himself solely to local matters. John was succeeded earlier this year on the Committee by James Hanly. Noreen Barry completed the maximum 8-year term as Vice-Chairman, also at the AGM. She made an outstanding contribution during those 8 years and remains on the Committee, an excellent resource to have. Pat Maher of Cooleeney Moyne, succeeded Noreen and I wish him well in the role.

The events of 2022 have definitely been challenging to all. Our management and staff did not shirk those challenges, particularly those related to the cyber attack. The manner in which our business was able to carry on without interruption, served us as shareholders well. Behind the scenes, the work to have systems restored, checked and verified should not be underestimated. The dedication and commitment of our Committee of Management must also be acknowledged as we returned to near normal following the Covid interruption. As Chairman, the contributions of Committee, Management and Staff is vital and I would like to thank all for their contributions during 2022.

We hope to celebrate our 125th birthday together in August.

Paddy Daly
Chairman

The strength of the Society remains our Balance Sheet, helping us to navigate successfully the additional challenges posed during 2022 and those that may face us in the years ahead.

Feed & Grain

Manufactured output grew, growers' incomes increased and customers were also insulated from the full impact of global challenges on grain prices - a benefit of our well invested and efficient operation.

Five Year Financial Review

	2022 (€,000)	2021 (€,000)	2020 (€,000)	2019 (€'000)	2018 (€'000)
Dairy Turnover	117,093	77,677	63,537	60,736	58,689
Agricultural Goods Turnover	62,196	44,838	40,082	39,404	43,589
Pig Turnover	0	700	1,656	1,658	1,390
Total Turnover	179,280	123,215	105,275	101,798	103,668
Operating Profit/(Loss)	2,280	2,179	1,984	784	857
Profit/(Loss) Before Tax	5,185	6,323	2,285	1,037	(5,233)
Taxation	(1,293)	(1,508)	(46)	(285)	1,985
Retained Profit/(Loss)	3,892	4,815	2,239	752	(3,247)
Equity Shareholders Funds	66,665	62,233	55,802	53,850	52,644
No. of Milk Suppliers	328	338	337	337	338

Consolidated Financial Statements

for the year ended 31st December 2022

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*

13th April 2023

Auditors' Report

to the Members of Centenary Thurles Co-Operative Society Limited

We have audited the Group consolidated financial statements of Centenary Thurles Co Operative Society Limited for the year ended 31 December 2022, 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'.

Opinion

In our opinion the consolidated 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 2022 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.

Auditors' Report

to the Members of Centenary Thurles Co-Operative Society Limited

Opinion on other matters prescribed by the Industrial and Provident Societies Act 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.

Auditors' Report

to the Members of Centenary Thurles Co-Operative Society Limited

- Conclude on the appropriateness of the Committee of Managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Groups and the Society's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group or the Society to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

This report is made solely to the Society's members, as a body, in accordance with Section 13 of the Industrial & Provident Societies Act, 1893 to 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 Mullally
For and on behalf of
RBK Business Advisers
Chartered Accountants and Statutory Audit Firm,
RBK House,
Irishtown,
Athlone,
Co. Westmeath

13th April 2023

Consolidated Profit and Loss Account

For the year ended 31 December 2022

	Notes	Continued Operations 2022	2022 Total €	Continued Operations 2021	Discontinued Operations 2021	2021 Total €
Turnover	3	179,289,764	**179,289,764**	122,515,330	699,714	123,215,044
Cost of Sales		(163,835,021)	**(163,835,021)**	(108,374,655)	(495,869)	(108,870,524)
Gross Profit		15,454,743	**15,454,743**	14,140,675	203,845	14,344,520
Operating Costs		(11,314,191)	**(11,314,191)**	(10,608,938)	-	(10,608,938)
Administrative expenses		(1,860,864)	**(1,860,864)**	(1,429,924)	(126,837)	(1,556,761)
Operating profit		2,279,688	**2,279,688**	2,101,813	77,008	2,178,821
Other Operating Income	7	925,436	**925,436**	816,464	-	816,464
Profit before tax and Fair Value movement		3,205,124	**3,205,124**	2,918,277	77,008	2,995,285
Fair value movements	8	1,980,058	**1,980,058**	3,328,041	-	3,328,041
Profit before tax		5,185,182	**5,185,182**	6,246,318	77,008	6,323,326
Tax on profit	9	(1,292,704)	**(1,292,704)**	(1,563,670)	55,417	(1,508,253)
Profit for the year		3,892,478	**3,892,478**	4,682,648	132,425	**4,815,073**

The financial statements were approved by the board on 13th April 2023 and signed on its behalf by:
***Paddy Daly** Chairman* ***Joe Kerrigan** Secretary*

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	2022 €	2021 €
Profit on ordinary activities after taxation	**3,892,478**	4,815,073
Other comprehensive income		
Actuarial gain/(loss) on pension obligations	**616,000**	1,850,000
Movement on deferred tax relating to pension gain/(loss)	**(77,000)**	(231,250)
Other comprehensive income for the year	**539,000**	1,618,750
Total comprehensive income for the year	**4,431,478**	6,433,823

The financial statements were approved by the board on 13th April 2023 and signed on its behalf by:
***Paddy Daly** Chairman* ***Joe Kerrigan** Secretary*

Consolidated Balance Sheet

As at 31 December 2022

	Notes		2022 €		2021 €
Fixed Assets					
Tangible assets	**10**		11,855,188		12,500,378
Investments	**11**		27,006,970		24,387,024
Intangible assets	**12**		28,638		42,956
			38,890,796		36,930,358
Current Assets					
Stocks	**13**	11,269,879		9,265,003	
Debtors	**14**	18,410,406		11,571,391	
Cash at Bank and in hand	**15**	10,670,447		13,347,093	
		40,350,732		34,183,487	
Creditors: amounts falling due within one year	**16**	(12,217,269)		(8,453,099)	
Net Current Assets			28,133,463		25,730,388
Total Assets Less Current Liabilities			67,024,259		62,660,746
Deferred Tax Liability	**18**		(3,150,977)		(2,470,365)
Net Assets excluding pension asset			63,873,282		60,190,381
Pension Asset	**24**		2,791,455		2,042,878
Net Assets including pension asset			**66,664,737**		**62,233,259**
Capital and Reserves					
Called up share capital	**20**		8,572,755		8,185,697
Share premium account	**19**		5,481,676		5,481,676
Capital Reserve	**19**		39,398		39,398
Other reserves	**19**		2,598,969		1,742,864
Profit and loss account	**19**		49,971,939		46,783,624
Members' Funds			**66,664,737**		**62,233,259**

The financial statements were approved by the board on 13th April 2023 and signed on its behalf by:
***Paddy Daly** Chairman, **Joe Kerrigan** Secretary*

Co - Op Balance Sheet
at 31st December 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	**10**	7,756,758	7,938,605
Investments	**11**	27,036,768	24,416,822
		34,793,526	32,355,427
Current Assets			
Stocks	**13**	32,616	43,801
Debtors	**14**	17,302,394	10,991,038
Cash at Bank and in hand	**15**	7,503,001	10,574,793
		24,838,011	21,609,632
Creditors: amounts falling due within one year	**16**	(10,316,293)	(7,110,241)
Net Current Assets		14,521,718	14,499,391
Total Assets Less Current Liabilities		49,315,244	46,854,818
Deferred Tax	**18**	(2,925,425)	(2,310,912)
Pension Asset		1,192,538	897,438
Net Assets		**47,582,357**	**45,441,344**
Capital and Reserves			
Called up share capital	**20**	8,572,755	8,185,697
Share premium account	**19**	5,481,676	5,481,676
Capital Reserve	**19**	39,398	39,398
Other reserves	**19**	2,598,969	1,742,864
Profit and loss account	**19**	30,889,559	29,991,709
Members' Funds		**47,582,357**	**45,441,344**

Consolidated Statement of Changes in Equity

As at 31st December 2022

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Profit and loss account €	Total equity €
At 1 January 2022	8,185,697	5,481,676	39,398	1,742,864	46,783,624	62,233,259
Profit for the year	-	-	-	-	3,892,478	3,892,478
Actuarial gains on pension scheme	-	-	-	-	539,000	539,000
Transfer from other reserve	-	-	-	-	(856,105)	(856,105)
Capitalisation/bonus issue	-	-	-	-	(387,058)	(387,058)
Shares issued/ bonus shares issued during the year	387,058	-	-	-	-	387,058
Shares redeemed during the year	-	-	-	-	-	-
Fair value adjustment on disposals	-	-	-	(835,259)	-	(835,259)
Deferred tax adjustment on disposal	-	-	-	275,635	-	275,635
Fair value movements	-	-	-	2,113,028	-	2,113,028
Deferred tax on fair value movements	-	-	-	(697,299)	-	(697,299)
At 31 December 2022	**8,572,755**	**5,481,676**	**39,398**	**2,598,969**	**49,971,939**	**66,664,737**

Consolidated Statement of Changes in Equity

As at 31st December 2021

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 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**

Co-Op Statement of Changes in Equity

As at 31st December 2022

	Share capital €	Share premium €	Capital reserve €	Other reserves €	Retained earnings €	Total equity €
At 1 January 2022	8,185,697	5,481,676	39,398	1,742,864	29,991,710	45,441,345
Profit for the year	-	-	-	-	1,941,234	1,941,234
Actuarial gains on pension scheme	-	-	-	-	199,778	199,778
Transfer from other reserves	-	-	-	-	(856,105)	(856,105)
Capitalisation/bonus issue	-	-	-	-	(387,058)	(387,058)
Shares issued/ bonus shares issued during the year	387,058	-	-	-	-	387,058
Shares redeemed during the year	-	-	-	-	-	-
Fair value adjustment on disposals	-	-	-	(835,259)	-	(835,259)
Deferred tax adjustment on disposal	-	-	-	275,635	-	275,635
Fair value movement	-	-	-	2,113,028	-	2,113,028
Deferred tax on fair value movements	-	-	-	(697,299)	-	(697,299)
At 31 December 2022	**8,572,755**	**5,481,676**	**39,398**	**2,598,969**	**30,889,559**	**47,582,357**

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 1 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 movement	-	-	-	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**

Consolidated Cash Flow Statement

for the year ended 31st December 2022

	2022 €	2021 €
Cash flow from operating activities		
Operating profit	2,279,688	2,178,821
Adjustments for:		
Depreciation	1,224,461	1,207,672
Write off tangible assets	-	242,929
Amortisation of intangible assets	14,319	14,319
(Increase) /Decrease in stocks	(2,004,876)	(465,178)
(Increase) / Decrease in debtors	(7,099,647)	(1,442,979)
Increase in creditors	3,657,547	148,998
Pension payment on defined benefit pension scheme	(349,577)	(346,645)
Other non-cash movements on defined benefit pension scheme	247,000	289,000
Corporation tax	(344,258)	(703,111)
Net cash generated from operating activities	**(2,375,343)**	**1,123,826**
Cash flow from investing activities		
Payments to acquire tangible assets	(581,174)	(935,617)
Payment to acquire investments	(1,091,314)	(1,647,472)
Receipts from sales of investments	451,428	1,390,386
Net cash proceeds from sale of assets	1,903	840,317
Interest received	22,500	30,261
Dividend received	870,055	778,323
Rental Income	1,069	2,600
Sundry Income	1,812	2,280
Net cash proceeds from investing activities	**(323,721)**	**461,077**
Cash flow from financing activities		
Issue of ordinary share capital	22,418	25,605
Repurchase of ordinary share capital	-	(54,603)
Net cash from/ (used in) financing activities	**22,418**	**(28,998)**
Net (Decrease)/ Increase in cash and cash equivalents	**(2,676,646)**	**1,555,905**
Cash and cash equivalents at beginning of the year	13,347,093	11,791,188
Cash and cash equivalents at end of the year	10,670,447	13,347,093

The financial statements were approved by the board on 13th April 2023 and signed on its behalf by:
***Paddy Daly** Chairman, **Joe Kerrigan** Secretary*

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

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 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. Accounting Policies *(continued)*

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 outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

1. Accounting Policies *(continued)*

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

	2022 €	2021 €
Milk	117,093,420	77,677,056
Agri Business	62,196,344	44,838,274
Pigs	-	699,714
	179,289,764	**123,215,044**

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

	2022 €	2021 €
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	1,224,461	1,207,672
Staff costs (Note 5)	5,530,480	5,607,572
Audit fees	51,100	48,986

5. Employees

	2022 €	2021 €
Wages and salaries	4,794,097	4,822,775
Social welfare costs	489,383	498,797
Pension service costs	247,000	286,000
	5,530,480	**5,607,572**

The average weekly numbers of employees during the year were:

	2022 No.	2021 No.
Production and transport	19	19
Sales	77	79
Administration	25	21
	121	**119**

6. Key management personnel compensation

The total benefits paid to key management personnel during the year are analysed below:

	2022 €	2021 €
Salary	1,055,232	1,043,438
Benefit in kind	24,491	24,334
Current service costs of pension schemes	175,219	198,996
Committee members fees	70,942	52,823
	1,325,884	**1,319,591**

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

7. Other Operating Income

	2022 €	2021 €
Deposit Interest	22,500	30,261
Dividends	870,055	778,323
Rental Income	1,069	2,600
Sundry Income	1,812	2,280
Interest on Pension Scheme Liabilities	30,000	3,000
	925,436	**816,464**

8. Fair Value Movements

	2022 €	2021 €
Unrealised (loss)/gain	(1,705,669)	3,307,756
Other movements	3,818,696	-
Realised (loss)/gain	(132,969)	20,285
	1,980,058	**3,328,041**

9. Taxation

	2022 €	2021 €
Corporation Tax		
Current Year	(676,491)	(523,882)
Prior Year	(12,602)	88,667
	(689,093)	(435,215)
Deferred Tax		
Current Year	(603,611)	(1,073,038)
	(1,292,704)	**(1,508,253)**

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2021: 12.5%) as set out below:

	2022 €	2021 €
Profit on ordinary activities before tax	5,185,182	6,323,326
Profit on ordinary activities multiplied by standard rate for the year of 12.5% (2021: 12.5%)	648,148	790,416
Effects of:		
Depreciation in excess of capital allowances	42,022	60,522
Pension adjustments	(17,367)	(8,919)
Income taxed at non-standard rates	183,171	64,823
Other timing differences	69	(13,366)
Expenses not deductible for tax purposes	30,297	49,448
Chargeable gains	36,757	18,466
Non-taxable income	901	(7,845)
Adjustments in respect of prior period	12,602	(88,667)
Fair value adjustments	(247,507)	(416,005)
Foreign tax credits	-	(13,658)
Deferred tax	603,611	1,073,038
Current Year Taxation	**1,292,704**	**1,508,253**

10. Tangible Fixed Assets

Tangible Fixed Assets - Consolidated	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2022	17,899,862	8,587,394	4,214,132	2,764,856	33,466,244
Additions	-	85,387	222,044	273,743	581,174
Disposals	-	-	(12,730)	(219,096)	(231,826)
Write off	-	-	-	-	-
At 31st December 2022	**17,899,862**	**8,672,781**	**4,423,446**	**2,819,503**	**33,815,592**
Depreciation					
At 1st January 2022	8,286,563	7,505,632	3,377,762	1,795,909	20,965,866
Charge for the year	458,067	223,365	303,931	239,098	1,224,461
On disposal	-	-	(12,730)	(217,193)	(229,923)
At 31st December 2022	**8,744,630**	**7,728,997**	**3,668,963**	**1,817,814**	**21,960,404**
Net book values					
At 31st December 2022	**9,155,232**	**943,784**	**754,483**	**1,001,689**	**11,855,188**
At 31st December 2021	9,613,299	1,081,762	836,370	968,947	12,500,378

Included in Land & Buildings cost is €6,197,445 (2021: €6,197,445) in respect of land which is not depreciated.

Tangible Fixed Assets - Co-Op	Land & Buildings	Machinery	Fixtures & Equipment	Transport	Total
	€	€	€	€	€
Cost					
At 1st January 2022	10,644,644	80,130	1,495,655	1,602,214	13,822,643
Additions	-	-	128,736	95,384	224,120
Disposals	-	-	(10,520)	(113,709)	(124,229)
Write off	-	-	-	-	-
At 31st December 2022	**10,644,644**	**80,130**	**1,613,871**	**1,583,889**	**13,922,534**
Depreciation					
At 1st January 2022	3,586,453	78,463	1,183,620	1,035,502	5,884,038
Charge for the year	191,804	276	101,441	112,445	405,966
On disposal	-	-	(10,520)	(113,708)	(124,228)
At 31st December 2022	**3,778,257**	**78,739**	**1,274,541**	**1,034,239**	**6,165,776**
Net book values					
At 31st December 2022	**6,866,387**	**1,391**	**339,330**	**549,650**	**7,756,758**
At 31st December 2021	7,058,191	1,667	312,035	566,712	7,938,605

Included in Land & Buildings cost is €5,949,896 (2021: €5,949,896) in respect of land which is not depreciated.

11. Investments

Investments - Consolidated

Available for sale financial assets	2022 €	2021 €
Other Investments		
1. Listed		
At 1st January	23,570,459	19,985,653
Additions	792,453	1,647,472
Disposal	(702,290)	(1,035,631)
Unrealised revaluations	(1,705,667)	3,307,435
Other movements	3,818,696	-
Realised revaluations	(132,969)	20,285
Cash Movement	250,862	(354,755)
At 31st December	**25,891,544**	**23,570,459**
2. Unlisted		
At 1st January	816,565	816,244
Additions	298,861	-
Disposal	-	-
Transfer from unlisted	-	-
Movement in fair value	-	321
At 31st December	**1,115,426**	**816,565**
Total	**27,006,970**	**24,387,024**

11. Investments *(continued)*

Investments - Co-Op

	2022 €	2021 €
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	23,570,459	19,985,653
Additions	792,453	1,647,472
Disposal	(702,290)	(1,035,631)
Unrealised revaluations	(1,705,667)	3,307,435
Other movements	3,818,696	-
Realised revaluations	(132,969)	20,285
Cash Movements	250,862	(354,755)
At 31st December	**25,891,544**	**23,570,459**
2. Unlisted		
At 1st January	816,316	815,995
Additions	298,860	-
Disposal	-	-
Transfer from unlisted	-	-
Movement in fair value	-	321
At 31st December	**1,115,176**	**816,316**
Total	**27,036,768**	**24,416,822**

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 2022	71,594	71,594
At 31st December 2022	**71,594**	**71,594**
Amortisation		
At 1 January 2022	28,638	28,638
Charge for the year	14,318	14,318
At 31st December 2022	**42,956**	**42,956**
Net book values		
At 31st December 2022	**28,638**	**28,638**
At 31st December 2021	42,956	42,956

13. Stocks

	Group 2022 €	Group 2021 €	Co-Op 2022 €	Co-Op 2021 €
Goods for resale	10,996,809	8,991,170	-	13,671
Expense	273,070	273,833	32,616	30,130
	11,269,879	**9,265,003**	**32,616**	**43,801**

14. Debtors

	Group 2022 €	Group 2021 €	Co-Op 2022 €	Co-Op 2021 €
Trade debtors	8,107,801	7,078,728	84,210	465,215
Amounts owed by subsidiary undertakings	-	-	7,033,325	6,118,624
Amounts owed by Milk Debtors	8,274,216	2,442,263	8,274,216	2,442,263
VAT Refund due	1,351,220	1,289,815	1,390,585	1,347,611
Corporation Tax Repayable	-	238,214	-	211,863
Amounts outstanding on Called up Share Capital	19,935	42,353	19,935	42,353
Prepayments & Other Debtors	657,234	480,018	500,123	363,109
	18,410,406	**11,571,391**	**17,302,394**	**10,991,038**

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

15. Cash and cash equivalents

	Group 2022 €	Group 2021 €	**Co-Op 2022 €**	Co-Op 2021 €
Cash at bank and in hand	11,525,023	13,739,919	8,115,308	10,966,770
Less: bank overdrafts	(854,576)	(392,826)	(612,307)	(391,977)
	10,670,447	**13,347,093**	**7,503,001**	**10,574,793**

16. Creditors: amounts falling due within one year

	Group 2022 €	Group 2021 €	**Co-Op 2022 €**	Co-Op 2021 €
Trade Creditors & Accruals	9,494,312	6,090,641	5,963,863	2,938,377
Amounts owed to group undertakings	-	-	1,651,177	1,921,673
Milk Price Volatility Fund	2,461,573	2,211,573	2,461,573	2,211,573
Corporation Tax	106,620	-	188,317	-
PAYE/PRSI	154,764	150,885	51,363	38,618
	12,217,269	**8,453,099**	**10,316,293**	**7,110,241**

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

17. 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.

18. Net Deferred Tax Liability

Deferred tax is analysed over the following timing differences:

	Group 2022 €	Group 2021 €	**Co - Op 2022 €**	Co - Op 2021 €
Accelerated capital allowance	10,580	24,838	36,266	41,109
Defined benefit pension obligations	(348,933)	(255,360)	(149,067)	(112,180)
Fair value adjustments	(2,812,624)	(2,239,843)	(2,812,624)	(2,239,842)
	(3,150,977)	**(2,470,365)**	**(2,925,425)**	**(2,310,912)**

18. Net Deferred Tax Liability *(continued)*

Movements on the provision for deferred taxation are:

	Group 2022 €	Group 2021 €	**Co - Op 2022 €**	Co - Op 2021 €
At 1st January	(2,470,365)	(1,166,076)	(2,310,912)	(1,090,417)
Charge to profit & loss	(603,612)	(1,073,039)	(585,973)	(1,134,683)
Charged to OCI	(77,000)	(231,250)	(28,540)	(85,812)
At 31st December	**(3,150,977)**	**(2,470,365)**	**(2,925,425)**	**(2,310,912)**

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 30 to 31.

20. Share Capital

	Group 2022 €	Group 2021 €	**Co-Op 2022 €**	Co-Op 2021 €
Authorised, allotted, called up and fully paid				
8,572,755 (2021 – 8,185,697) Ordinary shares of €1	8,572,755	8,185,697	8,572,755	8,185,697

Included in the above figure is an amount included in debtors of €19,935 (2021: €42,353) 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 2022 and 31st December 2021 is provided below:

	2022 €	2021 €
Sales (VAT exclusive) to certain 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.	5,484,346	3,676,856
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.	14,041,886	9,268,565
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.	628,509	791,881
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.	7,768	22,840
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.	350,167	299,487

23. Financial Instruments Group

	2022 €	2021 €
Financial assets		
Financial assets measured at fair value through profit or loss	25,891,544	23,570,459
Financial assets that are equity instruments measured at cost less impairment	1,115,426	816,565
Financial assets measured at amortised cost	27,052,464	22,868,084
	54,059,434	**47,255,108**
Financial liabilities		
Financial liabilities measured at amortised cost	(9,381,698)	(6,090,641)
	(9,381,698)	**(6,090,641)**

- 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 2022 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2022 %	2021 %
Rate of increase in salaries	2.50	2.25
Discount rate	3.70	1.35
Inflation rate	2.65	2.10
Future pension increase	0.00	0.00

	2022	**2021**
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

	2022	2021
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	**2022 €'000**	2021 €'000
Fair value of plan assets	15,447	19,202
Present value of funded obligations	(12,656)	(17,160)
Net asset at end of year	**2,791**	**2,042**

24. Pensions *(continued)*

Amounts recognised in the profit or loss for year	2022 €'000	2021 €'000
Service cost (including scheme expense)	326	366
Less employee contributions	(79)	(80)
Company service cost	247	286
Interest cost	195	148
Interest Income on Plan Assets	(227)	(151)
Net Interest on the Net Defined Benefit Asset	(30)	(3)
Total	**216**	**283**
Actual return on income generating assets	**(2,943)**	**1,701**

	2022 €'000	2021 €'000
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	17,160	17,622
Company service cost	247	286
Employee contribution	79	80
Interest cost	195	148
Actuarial (gains)/loss	(4,574)	(493)
Benefits paid	(451)	(483)
Closing Defined Benefit Obligation	12,656	17,160
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	19,202	17,751
Interest Income on Plan Assets	227	151
Actuarial gains and (losses) arising on the plan assets	(3,958)	1,357
Employer contributions	348	346
Employee contributions	79	80
Benefits paid	(451)	(483)
Fair value of plan assets at end of the year	**15,447**	**19,202**

24. Pensions *(continued)*

Remeasurement effects recognised in Other Comprehensive Income (OCI):

	2022 €'000	2021 €'000
Actuarial gains/ (losses) on liabilities	4,574	493
Actuarial gains and (losses) arising on the plan assets	(3,958)	1,357
Remeasurement effects recognised in OCI	616	1,850

Amount of the fair value of plan assets represented by major categories of assets:

Equities	6,670	8,185
Bonds	6,359	7,814
Property	803	802
Total	**13,832**	**16,801**
Value of annuity contracts matching pension in payment liabilities	1,615	2,402
Total	**15,447**	**19,202**

Amount for the current and previous four periods
Year Ending 31 December

	2022 €'000	2021 €'000	2020 €'000	2019 €'000	2018 €'000
Present value of funded obligations	(12,656)	(17,160)	(17,622)	(16,592)	(14,898)
Value of fund assets	15,447	19,202	17,751	16,964	14,579
Surplus/(Deficit) in scheme	2,791	2,042	129	372	(319)

25. Capital commitments

As at 31 December 2022 the entity has capital commitments in the form of purchases of machinery totalling €305,000.

26. Other commitments

At the year end the entity has entered contracts resulting in commitments to purchase fertiliser totalling €3,551,152.

27. Post balance sheet events

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

28. Principle Risks and Uncertainties

Risk analysis

Management and the Board regularly review financial 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.

29. Subsidiaries

At 31st December 2022 the Society holds 20% or more of the share capital of the following companies:

Company Subsidiaries	Holding	Activity
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.

30. Approval of Accounts

The accounts were approved by the Committee of Management on 13th April 2023.

Centenary Thurles
Co-operative Society Ltd

CENTENARY
Dairy

CENTENARY
Home & Garden

CENTENARY
Agri