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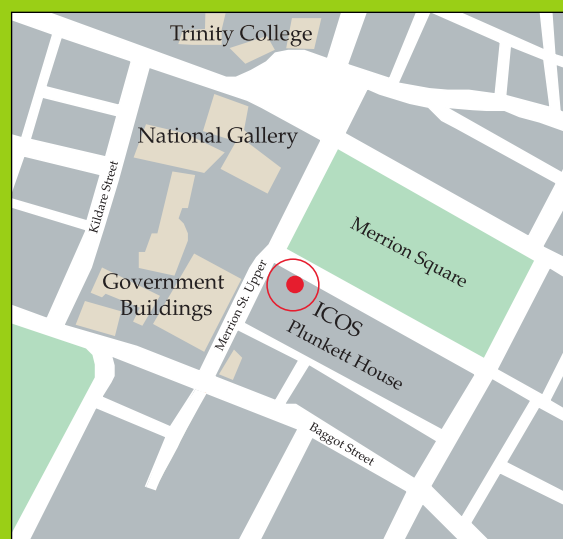
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President's Statement

The strong dairy markets in 2007 were a welcome development, and reversed a trend of gradually declining prices. This gave producers a renewed sense of optimism about the future. Markets subsequently weakened towards the end of the year and into early 2008. However, the outlook for dairy markets is for growing demand in the EU and world markets.

For many years, the EU has been losing market share in world dairy markets. This has been due to a combination of restrictions on EU output, due to the quota system, and increased demand in many developing countries, as a result of rapid economic growth.

The forthcoming Health Check of the CAP will signal the end of the quota system in 2015. This places a responsibility on the entire sector to prepare for the changes which will follow. ICOS supports a gradual increase of milk quotas of up to 2% per year in order to provide a smooth transition towards the future without quotas. It will also allow the EU to benefit from the increase in demand in rapidly developing economies.

Preparation now needs to be made all along the dairy chain for the challenges and opportunities which will occur after production limits are removed. How we use this limited time to position our dairy industry will determine our future prospects. There is an urgency to move quickly, before our competitors get a head start. There is a trend of growing demand for dairy products and ingredients in EU and world markets which offers a positive outlook for the sector, and we need to be part of it.

Livestock Mart Co-ops have made important changes to their businesses over the past number of years, in order to meet changing markets and investment opportunities. However, they continue to face changing trading and regulatory conditions. I am particularly pleased the Minister for Agriculture has given marts the opportunity to apply for grant aid to invest in their businesses for the future. ICOS made a strong case for this grant aid and I believe that good use will be made of the funds provided.

At present there is uncertainty about the outcome of the World Trade talks. ICOS is deeply concerned at the negotiating approach of the EU Trade Commissioner. We are alarmed at the devastating consequences for the livestock and dairy sectors of a deal which might be based on recent proposals on tariff reductions and treatment of sensitive products. We have made clear to the authorities in Dublin and Brussels our strong objections to the proposals and we will continue to express our view and work with other organisations to prevent an agreement which damages the sector.

During the year, ICOS carried out a complete review of our Board and Council structure. This resulted in proposals for a new Board and Expert Committee structure and a complete review of the ICOS Rules. These proposals were adopted at the end of 2007 and the new rules were registered in early 2008. The new structure is taking effect immediately after the AGM. The reduced number on the Board and the new committee structure, as well as other changes, were made to reflect the changing needs of our co-op members and also to ensure that we have the right governance structure for the future. I am very pleased with the support which was given to achieve this change, and am confident that it will contribute to ICOS fulfilling its role successfully in the future.

During the year I had valuable and consistent support from the Board, Council and staff of ICOS. This support is very important to me and I want to record my deep appreciation and thanks to all who were involved.

I want to use this opportunity to pay tribute to Billy Nagle, former President of ICOS who died recently. He made a major contribution to co-ops locally, nationally and also at EU level in his capacity as President of COGECA. May he rest in peace.

Padraig Gibbons
ICOS President

Introduction to ICOS

ICOS is the representative organisation for co-operatives in the agribusiness and rural sectors in Ireland, and also provides a range of services to our member co-operatives. We represent Irish co-operatives at national and at international level.

Over 100 co-operatives are members of ICOS and these co-ops have a combined individual membership of over 150,000 people. We have a Board of Directors, representing our member co-operatives. The Board elects the President.

We have a staff of 14, which are located at the head office in Dublin, in the Regional office in Cork and the Brussels office.

Services provided

The mission statement of ICOS is

'To provide leadership for the co-operative movement and to promote, develop, co-ordinate and represent agri-business and rural related co-operatives in the interests of their members.'

In order to fulfil this mission, ICOS provides the following services to its member co-operatives:

Strategy

- Strategy support for the dairy and livestock sectors.
- Business advisory service, e.g. consultancy, business reviews and strategy development.

Policy and Analysis

- Adopts policy positions on many issues which affect the sector and pursue these issues with the Department and EU Commission.
- Provides analysis, information and lobbies on Dairy, Livestock, Trading, Environmental and Regulatory issues.

Information

- Provides information, advices and lobbies on dairy, livestock and business matters.
- Identifies needs and provides support on grant aid schemes for capital investment, which are relevant to co-ops.
- Provides information to co-ops on EU issues.
- Administration of multi employer pension schemes and provides advice to co-ops.

Training, development and governance

- ICOS provides Training & Development programmes and Training Solutions to the Co-operatives for their staff members.
- Organises Director Training Programmes for co-op directors.
- Advices on co-operative legislation, co-op rules amendments and reviews, procedures, representation and governance.
- Organises conferences on matters relevant to co-operatives.

Representation on national and international organisations

- Representation on national and international organisations, such as Teagasc, NDC, Irish Dairy Board, COGECA (European co-op organisation), Structural Fund Monitoring Committees and a number of other expert groups.

Director General's Report

The year was notable for the rapid increase of commodity prices, particularly for cereal and dairy products. This was a result of increasing demand and restricted supply. In addition, further EU Agriculture policy changes were signalled, which makes it necessary for the sector to prepare for the new policy framework.

During the year, ICOS actively represented co-ops on the range of issues facing them on policy, business, strategy and regulatory matters. ICOS also provided important service support for co-ops on training, governance and rules, pension administration and business planning.

Dairy Markets

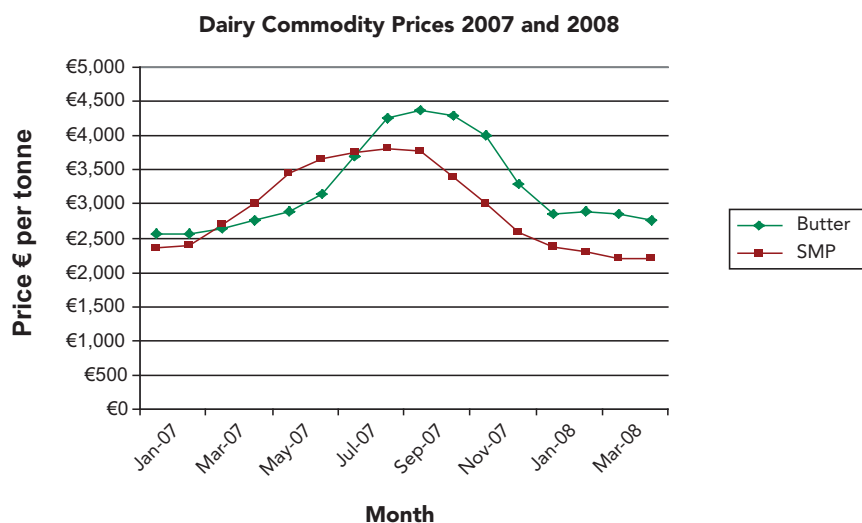
During the early part of 2007, dairy markets gradually grew stronger as a result of increasing demand in worldwide markets, combined with supply constraints due to weather conditions (floods in South America and drought in Australia), no stocks held in public storage and under filling of quotas in Europe. ICOS lobbied the Irish Department and the EU Commission to use the market support measures when they were needed in the early part of the year. However, as markets grew stronger, the Commission reduced export refunds in a number of stages, until they were reduced to zero in June 2007.

Dairy market prices continued to increase until there was consumer resistance and a production response, which met some of the increased demand.



John Tyrrell
Director General, ICOS Ltd.

	Jan 07	Apr 07	Jul 07	Oct 07	Jan 08	Apr 08
EU Butter €/ t	2560	2760	3700	4300	2850	2750
EU SMP €/ t	2350	3000	3760	3400	2380	2200



These price developments illustrate the volatility, which can be expected in markets when stocks are low and market management is not in use.

CAP Health Check

During 2007, the EU Commissioner for Agriculture and Rural Development signalled the Commissions intention to carry out a Health Check of the CAP. This is to assess what changes need to be made to the CAP to prepare it for the market, trade and EU Budget changes in the future. ICOS has kept co-ops informed about the Commissions evolving position, and developed a policy position, which was communicated to the Minister and the EU Commission. We are working closely with co-ops to analyse the impact of policy options and to develop strategies with co-ops to prepare for the anticipated changes.

In November, the Commission published its Health Check Communication. Amongst the main elements are proposals to simplify the Single Payment Scheme and cross compliance, increase the rate of compulsory modulation, review market intervention and abolish milk quotas with a 'soft landing' from 2009-2015. The detailed legislative proposals will be published in May 2008.

Partly in response to the buoyant dairy markets and following a strong call from Agriculture Ministers in September 2007, the Commission released a proposal in December to increase EU dairy quotas by 2% from April 2008. The Commission believes that the market will be able to absorb the full increase. ICOS supported the Commission's proposal for the increase because of the signal it gives for the need to prepare the sector for the ending of quotas in 2015.

Milk Mini Package

Technical changes were approved to simplify the EU dairy regime under the "Milk Mini Package". The changes included the standardization of protein content of milk, streamlining the school milk scheme, categorisation of fat content for drinking milk, removal of the trigger system for butter intervention, ending the compulsory use of import licences, harmonize the quality criteria for butter and abolishing the private storage aid for cream and SMP.

WTO

ICOS has continued to monitor and analyse ongoing developments in the WTO negotiations. Negotiations made slow progress during the 2007. The Agriculture talks Chairman, produced a number of papers during the year on where a possible deal might emerge, a draft modalities paper and a paper on export competition. ICOS has participated in a WTO Consultative Committee in the Department of Agriculture and has repeatedly voiced the concerns of co-ops about the negotiating tactics of the EU and the impact of a possible deal on the dairy and livestock sectors.



*Klaus Dieter Borchardt, EU Commission,
speaking at the ICOS National
Conference, 2007*

Dairy Investment Scheme

In April 2007, the Minister for Agriculture announced the approval of applications under the Dairy Investment Scheme. A total of 19 projects were approved, for 12 processing businesses. The expected capital expenditure is €286m, of which €114m would be grant aid from the Government. ICOS had successfully lobbied for this investment scheme in 2006. Work commenced on a number of the projects during 2007, with new facilities aimed to be in place and commissioned in time for the 2008 supply season.

Discussions between co-ops

During the year, ICOS initiated and facilitated discussions between a number of co-ops to explore where there may be synergies and operational benefits between them. A number of these have resulted in follow-on actions.

Animal Health

In August, there were a number of cases of Foot and Mouth Disease in the UK. The Department of Agriculture and the Irish dairy and livestock sectors, went on high alert as a precaution to avoid any occurrence of the disease in Ireland. Fortunately the outbreak was contained in the UK, and the restrictions were lifted within a relatively short period. ICOS worked closely with co-ops and the Department during this alert.

ICOS continued consultations on a proposed Herd Health Initiative, which were initiated by the Department and UCD. Specific proposals for this initiative are expected in early 2008. Consultations including ICOS have been held with the Department and co-ops on the precautions arising from the recent incidences of Bluetongue on the Continent and in the UK. This has also included possible restrictions and vaccination in the event of Bluetongue occurring in Ireland.

Veterinary Medicines

In November 2007, the Minister signed into law, new legislation permitting vets, operating within Co-op Mastitis Control Programmes, to prescribe the use of intramammarys for milk suppliers to the co-op. ICOS had lobbied actively for the new legislation, to ensure that farmers could continue to have reasonable access to intramammary antibiotics (dry cow and milking cow tubes). It had already been announced that these products would become prescription-only from January 1st 2008, and it is the strong view of ICOS and the co-ops that farmers can access prescriptions readily and that competition was retained in the supply of vital medicines.

Dairy Research Trust

During the year, there was strong support for the increased contribution from producers for dairy research, which was requested by the Dairy Research Trust (DRT). The new rate of contribution was 0.036 cent/litre. The DRT Board approved a research programme, which was implemented by Teagasc. For future years, research proposals from other research organisations will be considered. ICOS has administered the activities of the DRT since it began its activities.

Monitoring of milk testing

Under the "Towards 2016" Partnership Agreement, the Department of Agriculture was committed to extend its monitoring and cross checking of milk testing to include all constituents used for payment purposes and ensure transparency. During the year, the Department held discussions with ICOS on the proposed new measures. New procedures, which begin in April 2008, will include checks on the accuracy of testing, constituents, payment records and an audit of lab procedures. Frequency of monitoring will increase, and results will be published quarterly on the Department website.

Dairy Partnerships

ICOS made the case to the Department for a number of important changes to the Partnership regulations. The purpose is to make the partnership structure more user-friendly in order to encourage a greater uptake of this structure by producers with potential or by farmers with land which could be used for dairying. The ICOS proposal is for the removal of a number of restrictions which have limited the uptake of this facility.

Milk Quota Trading Scheme

During the year, ICOS gave its proposals to the Minister on modifications to the Milk Quota Trading Scheme. This was done in consultations with Co-ops and the Board of ICOS. Dairy Co-operatives have played a major role to ensure that the Trading Scheme has worked efficiently and is clearly understood by quota holders.

The following is a summary of the four Trading Schemes to date:

	November 2006	March 2007	October 2007	February 2008
Total Quantity Offered (M.Lts)	120.7	177.1	79.6	60.0
Number of Sellers	854	1379	626	473
Volume Sought (M.Lts)	172.7	183.8	224	260
Number of Buyers	4680	4750	5348	4257
Weighted Average Price (c/lt)	18.9	19.8	22.8	
% Traded in Total	60.5	69.8	82.9	

ICOS will participate in the annual review of the Trading Scheme during 2008.

Milk Quality

Following the restructuring of the Irish Milk Quality Co-operative Society (IMQCS), the Committee has embarked on a programme aimed at addressing Total Milk Quality Standards. A draft booklet prepared by Teagasc, which embraces all quality aspects, is being finalised.

IMQCS is working with co-ops and Teagasc to make the new booklet available to dairy farmers, Teagasc advisors, farm advisors and quality control managers at the co-operatives. In addition, we will supply laminated information sheets on critical quality aspects for farmers in the dairy facility. Also, a programme will be undertaken where co-op boards and milk suppliers will attend quality seminars.

Livestock Marts

2007 was a mixed year for Co-op marts, with income and profitability improving, but with some worrying signs of difficulties in the future regarding cattle and sheep numbers. The National Co-op Marts Committee met on three occasions, as well as holding two spring regional meetings.

Trade Levels

The trend of growth set up to 2006 was discontinued in 2007. Overall cattle numbers decreased by 5% and this decrease, combined with an increase in average values contributed to the maintenance of commission incomes, however, this varied widely across the regions and from mart to mart. Regional breakdown of cattle sold in 2007 was, Ulster – 5%, Munster – 5.5%, Leinster + 0.4% and Connaught – 8% compared to 2006.

The steady fall-off in weanling numbers continued. There was a 6% fall in weanling numbers sold in marts in 2007, and the trend in recent years is that the suckler herd is contracting. This has affected marts in the western areas, as they have a greater reliance on the suckler herd. By contrast, eastern marts benefited from the growth in the trade in heavier and store cattle, which previously would have been slaughtered. Early in 2007 there were some complete dairy dispersals, which bolstered several marts, especially in the East and South. This trend was reversed in the second half of the year, as many farmers could not get in-calf dairy heifers.

The decline in sheep numbers continued in 2007, with numbers sold through marts declining further and several ICOS marts discontinuing sheep sales altogether. The National Co-op Marts committee is seeking aid for the sector. This should target the main weaknesses in our production system, particularly labour efficiency, breeding for quality and the EU's double standards regarding cheaper imports from countries with little or no traceability, such as New Zealand.

Computerised Movement Monitoring System

During 2007, ICOS was actively involved in the development work on a live CMMS system (or A.I.M. as it is to be known) in marts. The Department and software suppliers addressed a number of technical difficulties, which arose. The Department had planned that this system would be adopted by all marts on 1st January 2008, but now it is expected that the system will be fully implemented by March 2008. Most ICOS marts went live over various dates late in 2007 and by early 2008, 70 marts out of the total of 86 countrywide were live.

We expect that successful implementation of live CMMS will open up possibilities for further automation on mart processes, and help to reduce operating costs. One benefit of the operation of AIM is the opportunity to remove the requirement for paper export certificates to accompany passports at mart sales. The linkage between A.I.M. and the A.H.C.S. (Animal Health Computer System) will allow the mart to verify that the animal has been T.B. tested to the export standard within the previous 30 days, and this data can be fed automatically to the electronic display. The data will also be available to the Department vet at the export lairage, eliminating the necessity to pay for paper export certificates.

Grant Aid of Livestock Marts

The ICOS National Co-op Marts Committee continued to put pressure the Department of Agriculture for a grant aid scheme for the marts, in order for most marts to upgrade their facilities in order to comply with the nitrates directive and the handling of effluent.

The Minister for Agriculture announced a grant scheme, just before Christmas 2007. The initial closing date for applications was 15th February 2008, however as a result of lobbying by ICOS, this was extended to 29th February 2008.

European Association of Livestock Marts

The 2007 AGM and General Assembly of the AEMB was held in Laissac, Southern France. A number of co-op marts were part of the ICOS delegation, and visited several 'Aubrac' cattle breeding farms. The General Assembly addressed the development of the EU animal health strategy, innovative solutions for the treatment and disposal of waste water from premises, such as livestock markets and electronic identification of livestock. The 2008 AGM will take place in Leeuwarden in Holland.

Bluetongue remains a big livestock issue for most of the members of AEMB, except Ireland at this time, and ICOS marts have the benefit of learning from their experience in the event that it reaches Ireland.



At the ICOS National Conference
 Michael Cronin, Newmarket Co-op and IDB
 Hugo Maguire, Town of Monaghan
 Sean McAuliffe, North Cork Co-op Creameries

Training & Development

ICOS provides Training & Development programmes and Training Solutions to the Co-operatives.

ICOS Accel Project 2006 – 2007

ICOS was successful in obtaining funding under the Skillnets grant for the period 2006 - 2007. The Accel Scheme was an initiative of Department of Enterprise, Trade and Employment and managed by Skillnets Ltd. funded by the European Social Fund (ESF) and the National Training Fund. Up to €16 million was allocated to approved training projects for 2006 - 2007. Its overall aim was to rapidly up-skill workers in response to specific competitive challenges across a wide variety of sectors.

ICOS placed a strong focus on improving Customer relations skills of retail staff; Product knowledge; Change management; Security skills and Awareness; Driver training; Development of middle and senior management skills and IT skills.

The ICOS Accel Project in collaboration with its member Co-operatives successfully operated 156 training courses for Co-Op staff at all levels. Total of 2,469 Co-Op staff attended these courses throughout the country.

ICOS Skillnet Project 2008 – 2009

Following the success of the ICOS Accel Project, ICOS has been successful in obtaining further funding under the Skillnets grant for the period of 2008 – 2009. ICOS Skillnet is funded by member companies and the Training Networks Programme, (an initiative of Skillnets Ltd., funded from the National Training Fund through the Department of Enterprise, Trade and Employment).

The ICOS Skillnet Project is based on the need to invest in the up-skilling and enhancing the skills of Co-Op staff and management through structured training in order to ensure that Co-ops retain their competitiveness in an ever changing rural and retail sector.

Diploma Programme in Corporate Direction

The recent graduates from the ICOS/UCC diploma programme received their diplomas at a graduation ceremony in UCC in October 2007. Directors from eight co-operatives and executives from three co-operatives participated in this programme. This programme was the final programme in receipt of direct EU funding sponsorship under the auspices of Enterprise Ireland.

In-house Director Training & Leadership Training

ICOS organises and delivers training programmes on co-operative business and leaders on request to affiliated co-operatives seeking such services. In 2007 five programmes were organised for Boards and other representational tiers in individual co-operatives.

Plunkett Award

The winner of the 2007 Plunkett Award for Co-operative Endeavour was Mr Denis Cronin who was nominated by Dairygold Co-operative Society Limited.

Rural Development

The ICOS Rural Development Committee met on two occasions. A questionnaire was prepared by the Committee on Rural Roads, was circulated to all co-operatives and produced a response from forty co-operatives. The findings were sent to the Department of the Environment, and meetings with Department officials were held.

ICOS National Conference

The 2007 National Co-operative Conference focussed on the future of future prospects for different co-operative sectors in the light of the proposed 'Health Check' on the CAP. The conference speakers were Klaus-Dieter Borchardt (EU Commission), Erhard Richarts (ZMP), Thia Hennessy (Teagasc), Gerard Brickley (Bord Bia), Dr Jerry Murphy (UCC), John Tyrrell and TJ Flanagan (ICOS). The Minister for Agriculture, Fisheries and Food, Mary Coughlan T.D. was the guest speaker at the Conference dinner.

Review of ICOS Rules

In the year under review two complete amendments of rules of the ICOS were adopted. The first complete amendment was adopted immediately after the 2007 AGM and involved a consolidation into one rule book of all the partial amendments to the rules adopted over the last five years. The second complete amendment focussed on a complete restructuring of the control and representation structure of ICOS. The major changes involve a reduction in the size of the Board to 11, with the possibility of a co-option, the removal of the Council from the governance structure, and the new format for 3 working committees (Dairy, Marts and Rural Business).

Review of the Industrial and Provident Societies Act

The review initiated by the Department of Enterprise Trade and Employment of the Industrial and Provident Societies Act and of the office of the Registrar of Friendly Societies is ongoing. The Department have indicated that they will be in a position to produce a draft discussion paper in 2008 and will be continuing the dialogue commenced in 2007 with ICOS.

European Co-operative Statute

The European co-operative statute has not yet been transposed into Irish law. ICOS made a number of submissions on aspects of the statute to the Company Law Unit in the Department of Enterprise Trade and Employment. ICOS has been advised that the draft is at a very advanced stage and a number of minor drafting issues have to be resolved so as to have the statute transposed by the middle of 2008.

Forum for the Co-operative Movement in Ireland

The Forum for the Co-operative Movement in Ireland was chaired by ICOS in 2007. The Forum consists of the three co-operative organising bodies in the country, ICOS, the Irish League of Credit Unions and the National Association of Building Co-operatives and also included the Society for Co-operative Studies, the Centre for Co-operative Studies in UCC, the Co-operative Development Society. The Forum ran a workshop on co-operative law in March, and a seminar on co-ops opportunities in June. The aim of the Forum is to facilitate greater communication and co-operation between the co-operative sectors in Ireland.

NESC

A new National Economic and Social Council was constituted in 2007. The current NESC work programme will run for the three-year period 2007 – 2010. The first phase of this programme involves three studies to develop the economic, social and environmental analysis set out in the NESC Strategy 2006 document – “People, Productivity and Purpose”. This phase will concentrate on producing an economic report, a social report and a climate change and sustainable energy report. ICOS continues to use its membership on the Council of NESC to ensure that these reports take account of the particular needs of the co-operative sector.

Irish Foundation for Co-operative Development

Dairy and other co-ops in Ireland and their members provide the funding for the Irish Foundation for Co-operative Development. The focus for IFCD is to improve the livelihoods of farmers and the needy in Africa. IFCD supported organisations in Tanzania and Uganda to assist the improvement of living standards and the skills of marketing groups, farmer co-ops, savings and credit groups and HIV/AIDS affected groups.



Empowering local extension officers to take charge of their community around is another area COAS deals with. Facilitating, is Mr. Kimaryo one of the Divisional Agricultural Extension Officers facilitating in one of the PMG visionary workshops.

In **Uganda**, the Community Enterprises Development Organisation (CEDO) works to increase the living standards in rural areas of Rakai, Masaka, Lyantonde and Semembule. CEDO staff provide support in identifying and providing technical advice to Marketing Groups, especially on crop diseases and pest control, promotion of collective marketing initiatives, encouraging groups to diversify, and develop other income generating activities (micro enterprises) at group level. There was also a push to improve the management of the savings and credit schemes.

During 2007, CEDO assisted vulnerable households (promoting solar drying of vegetables, appropriate food preparation and presentation for retention of nutrients) and management of micro projects – providing advice on income generating activities, and trained HIV/AIDS affected people who were dependent on food aid, to grow their own food for self-sufficiency.



COAS empowers savings and credit members with technical, leadership and management skills. In the picture, Mr. Msangi – COAS Co-Ordinator (4th seated from right) posing for a group picture with leaders of one of COAS supported savings and credit society after a successful training.

In **Tanzania**, Community Grassroot Initiative Association (COAS) provides training and technical assistance to savings and credit co-ops, producer marketing groups and income generating activities groups. COAS operates in the Iringa and Mufindi districts.

During 2007, COAS supported women's savings and credit groups and assisted the setting up of micro enterprises as a means to reduce poverty. Courses were held for Producer Marketing Groups (PMG) involved in coffee, paddy, beans and sunflowers. Special training was provided for 430 co-operatives/small farmers from 32 villages. Emphasis was put on Income Generating Activities (IGA's) in order to help food security and supplement income.

COAS implemented short projects to support HIV/AIDS affected members and orphans with food and educational needs

ICOS Financial Services

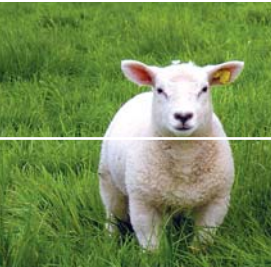
ICOS Finances

The 2007 accounts for ICOS show a surplus for the year of €308,360. In 2007 total income decreased from €1.94 million to €1.77 million representing a decrease of 8.8%. Affiliation fees were collected on a timely basis and revenue from other sources remained the virtually the same as the previous year.

The overall expenditure for the year has increased by 27.5%, which was mainly due to the FRS 17 adjustment in 2006, which was not repeated in 2007. Salary costs were 11.8% lower than 2006. There was little change in travel and services costs. The overhead cost increased by 17.7% and this was mainly due to the renewal of rent for the space used by ICOS in 2007. There was no rent charged for the office space in recent years due to the financial constraints on ICOS.

Statistical Analysis

ICOS undertakes the statistical analysis of the Dairy, Mart and other sectors. The analysis is included in this report. Throughout the year information is provided to financial controllers in co-ops on taxation, legislation, accounting standards, pensions and other relevant issues.



Pensions

ICOS continues to administer the two industry wide pension schemes.

- Dairy Executives Pension Scheme.
- Irish Co-operatives Societies Pension Scheme.

Both Schemes are in a healthy position at present and meet the minimum funding standard requirements.

Grant Aid

After intensive lobbying from ICOS the Government announced a Livestock Marts capital investment. ICOS assisted the Co-ops in the supply of information, discussions and applications and also provided facilitation between parties who were interested in shared processing.

Other Issues

During the year ICOS Finance provided assistance to a number of co-ops and also assisted in the recruitment of key personnel in some of its member co-ops.

Co-operative Sector Activity

The summary table of the Irish Co-operative sector in 2006 shows a sectoral turnover of €11.6 billion. This compares with a turnover of €11.5 billion in 2005. Total sales for the dairy sector grew from €10.7 billion in 2005 to €10.9 billion in 2006. Mart turnover in the period under review increased from €484 million in 2005 to €530 million in 2006.

ICOS Membership

The following societies were accepted into membership in 2007:

Clonmore Kilmore Group Water Scheme
Roscommon Retail Therapy
Corohan Group Water Scheme
Sheeps Grange Group Water Scheme
Galway Taxi Co-op

Board and Council

During 2007 the Council of ICOS met on five occasions and the Board met on seven occasions. As a result of elections held or direct appointments made, the following were appointed to the Council of ICOS:

Lexie Tinney (Glenveagh), James Gallagher (Connacht Gold), John Ahern (North Cork), Dermot O'Leary (Bandon), Jim Russell (Centenary /Thurles), Tom Leahy (Cork Marts), Michael O'Dwyer (Templemore), Dan Joe O'Donovan (FDC).

Co-options

The following current Presidents in office were co-opted on to the Council;

IFA	Padraig Walshe
ICMSA	Jackie Cahill
Macra Na Feirme	Catherine Buckley
ICA	Carmel Dawson

The following were elected or re-elected to the Board;

L Tinney (Glenveagh), J Ahern (North Cork), M Quinlan (Tipperary), M O'Dwyer (Templemore), T Doyle (Wexford), D Cashman (IFAC).

Patsy Kelleher was elected Southern Vice President

Padraig Gibbons was re-elected President

Sub-Committees and Chairmen of Expert Committees

Chairmen of Expert Committees

The Board appointed the chairman to each Expert Committee as follows;

Dairy	L. Tinney
Marts	T. Doyle
Rural Development	DJ O'Donovan

Dairy Committee

M. Leenane, H. Maguire, P. Kelleher, N. Coughlan, L. Tinney, J. Martin, S. Sweeney, T. Corcoran, P. Gibbons, P. Flahive, P. McLoughlin, L. Herlihy, J. Croke, R. Cody, J. Ahern, M. Noonan, M. Magan

Marts Committee

R. Dempsey, M. Parsons, J. O'Brien, C. Doherty, T. Leahy, M. O'Dwyer, T. Doyle, T. Brooks, P. Gibbons, J. Roche, M. Spellman, F. Campbell, D. McCarthy, S. Brannelly

Rural Development Committee

DJ O'Donovan, M. O'Dwyer, D. Cashman, P. Connolly, N. O'Sullivan, J. Gallagher, L. Tinney, A. McAdam, P. Flahive, P. McLoughlin

IFCD

The Board appointed the following to the Board of IFCD. P. Kelleher, P. Flahive, N. O'Sullivan, M. O'Dwyer, J. Tyrrell, D. Cashman and M. Walsh

IMQCS

P. Mc Loughlin, A. Brown and J. McCutcheon were appointed to the Board of IMQCS.

Golden Jubilee Trust

P. Gibbons, P. Kelleher and M. Magan, J. Tyrrell and S. O'Donohoe were appointed to the Board of the Golden Jubilee Trust.



Minister for Agriculture and Food, Mary Coughlan TD at the ICOS National Conference, 2007





Irish Co-operative Society Pension Scheme

P Kelleher, P Gibbons, J Tyrrell and M Quinlan were appointed to the Trustee Management Committee of the Irish Co-operative Society Pension Scheme.

Representation of ICOS on Other Bodies

Irish Dairy Board	Tom Corcoran
Teagasc	Michael O'Dwyer
IFAC	Donal Cashman
NDC	Tom Corcoran
NESC	Seamus O'Donohoe
Dairy Research Trust Board	Tom Corcoran, Mike Magan, Sean Sweeney
Milk Quota Appeals Tribunal	John Tyrrell
Milk Quota Review Group	George Kearns
AEMB	Ray Doyle
WTO Consultation Committee	John Tyrrell
COGECA Presidium	Padraig Gibbons / John Tyrrell

Structural Funding Monitoring Committee

CSF	John Tyrrell
Productive Sector Food Monitoring Committee CSF	John Tyrrell / Shane Dolan
CSO Agricultural Statistics	Seamus O'Donohoe

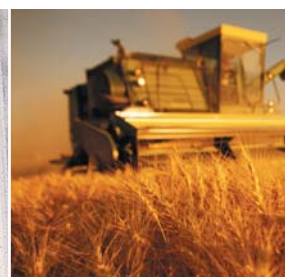
ICOS Representatives on Brussels Based Committees

<i>Representation Topic</i>	<i>COGECA</i>	<i>EU Standing Committees</i>
Cogeca Presidium	Padraig Gibbons, John Tyrrell, Donal Cashman	
CAP	John Tyrrell	
Milk & Dairy Products	Ray Doyle	TJ Flanagan
Beef	Ray Doyle	
European Association of Livestock Marts	Tom Doyle / Ray Doyle	
Seeds	Gerry Griffith (IAWS)	Gerry Griffith
Agricultural Structures & Rural Development	Dan Joe O'Donovan	
Environment	Carol McGinley	Carol McGinley
Oilseeds	John Rice (Glanbia)	John Rice
Veterinary Questions	Ray Doyle	
Legal Questions	Seamus O'Donohoe	
Quality & Health	George Kearns	
Promotion of Agricultural Products	George Kearns	George Kearns



ICOS Board 2007

Members	Appointed by	Address
Mr. John Ahern	North Cork Co-operative Creameries Ltd.	Curragh, Kanturk, Co. Cork
Mr. Donal Cashman	IFAC	Coole, Whitecross, Co. Cork
Mr. Tom Corcoran	Irish Dairy Board	Bohadoon, Dungarvan, Co. Waterford
Mr. Tom Doyle	Wexford Farmers Co-operative Society Ltd.	Ballyoughter, Gorey, Co. Wexford
Mr. Patrick Flahive	Kerry Co-operative Creameries Ltd.	Lower Glentane, Annascaul, Tralee, Co. Kerry
Mr. Padraig Gibbons	Connacht Gold Co-operative Society Ltd.	Bullaun, Mayneen, Westport, Co. Mayo
Mr. Liam Herlihy	Glanbia Co-op Society Ltd.	Headborough, Knockanore, VIA Mallow, Co. Cork
Mr. Patsy Kelleher	Dairygold Co-operative Society Ltd.	Coolmountain, Clondrohid, Macroom, Co. Cork
Mr. Mike Magan	Lakeland Dairies Co-operative Society Ltd.	Kilashee, Co. Longford
Mr. Patrick McLoughlin	Arrabawn Co-op Society Ltd.	Garrykennedy, Portroe, Nenagh, Co. Tipperary
Mr. Michael O'Dwyer	Templemore Co-op Livestock Mart Ltd.	Bridge View, Ardmayle, Cashel, Co. Tipperary
Mr. Noel O'Sullivan	IAWS	Breeneybeg, Kealkil, Bantry, Co. Cork
Mr. Matt Quinlan	Tipperary Co-op Creamery Ltd.	Cappa House, Cahir, Co. Tipperary
Mr. Sean Sweeney	Connacht Gold Co-operative Society Ltd.	Knocknaderry, Killala, Co. Mayo
Mr. Lexie Tinney	Glenveagh Agricultural Co-op Society Ltd.	Drumcairn, Manorcunningham, Letterkenny Co. Donegal
Mr. Michael Walsh	Glanbia Co-op Society Ltd.	Coolroe, Graiguenamanagh, Kilkenny, Co. Kilkenny



ICOS Council 2007

The National Council consists of all Board Members as already listed and the following additional members

Members	Appointed by	Address
Mr. Tom Brooks	Clare Marts Ltd.	Drumcaurin, Ennis, Co. Clare
Ms. Catherine Buckley	Macra na Feirme	Knocknagown, Rylane, Co. Cork
Mr. Jackie Cahill	ICMSA	Killinan, Thurles, Co. Tipperary
Mr. Paul Connolly	Commercial Mushroom Producers	Crush, Emyvale Co. Monaghan
Ms Carmel Dawson	ICA	Hawthorn Road, Station Road, Tullow, Co. Carlow
Mr. James Gallagher	Connacht Gold Co-operative Society Ltd.	Cornagee, Kinlough, Co. Leitrim
Mr. Tom Leahy	Cork Co-operative Marts Ltd.	Ballyharrahan, Dungarvan, Co. Waterford
Mr. Hugo Maguire	Town of Monaghan Co-op Ltd.	Beechford Farms, Clones, Co. Monaghan
Mr. Jim Maguire	National Co-op Farm Relief Services	Beglieve, Bailieboro, Co. Cavan
Mr. Dan Joe O'Donovan	Farm Development Co-operative	Minanes, Drinagh, Co. Cork
Mr. Dermot O'Leary	Bandon Co-operative Ltd.	Gurteenomahon, Enniskeane, Co. Cork
Mr. Jim Russell	Centenary/ Thurles Co-op Society Ltd.	Ballyduag, Thurles, Co. Tipperary
Mr. John Walsh	Dairygold Co-operative Society Ltd.	Cloughnadromin, Ballysimon, Co. Limerick
Mr. Pdraig Walshe	I.F.A	Irish Farm Centre, Bluebell, Dublin 12



ICOS Council

Front Row; Seamus O'Donohoe, Michael O'Dwyer, Pdraig Gibbons, John Tyrrell, Noel O'Sullivan.

Second Row; James Gallagher, Tom Corcoran, Tom Leahy.

Third Row; Sean Sweeney, Hugo Maguire, Tom Doyle, Tom Brooks, Lexie Tinney, Matt Quinlan, Dan Joe O'Donovan, Donal Cashman.

Back Row; John Walsh, Pat Flahive, Jim Maguire, John Ahern, Pat McLoughlin.

Statement of the Society's and the Board's Responsibilities

The Board is responsible for causing to be prepared financial statements which give a true and fair view in accordance with applicable Irish law including the Industrial and Provident Societies Acts, 1893 to 1978 and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and Published by the Institute of Chartered Accountants in Ireland. In causing the preparation of the financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is appropriate inappropriate to presume that the Society will continue in business.

The Board confirms that it has complied with the above requirements in preparing the financial statements.

The Society is responsible for causing to be kept proper books of account such as are necessary to give a true and fair view of the state of affairs of the Society and to explain its transactions.

The Board is also responsible for safeguarding the assets of the Society and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:

President: *Padraig Gibbons*

Director General: *John Tyrrell*

Secretary: *Seamus O'Donohoe*

Dated: 19th March 2008

Independent auditor's report to the members of Irish Co-Operative Organisation Society Ltd.

We have audited the financial statements on pages 5 to 14. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on page 5.

Respective responsibilities of the Board and auditors

The Board's responsibilities for preparing the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of the Society's Board's Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Society's members as a body in accordance with Section 13 of the Industrial and Provident Societies Act, 1893 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

As agreed with the board, we report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of accounts. We also report to you our opinion as to whether the Society has kept proper books of account.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amount and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the Society at 31 December 2007 and of its surplus for the year then ended.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of accounts have been kept by the Society. The financial statements are in agreement with the books of accounts.

In accordance with Section 13 of the Industrial and Provident Societies Act, 1893, we now sign the same as found to be correct, duly vouched and in accordance with law.

84, Northumberland Road
Ballsbridge
Dublin 4

Duignan Carthy O'Neill,
Chartered Accountants
Registered Auditors

Date: 20th March 2008

Accounting Policies

The significant accounting policies adopted by the Society are as follows:

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Industrial Provident Societies Acts, 1893 to 1978, Accounting standards generally accented in Ireland in preparing financial statements giving a true and fair view are those published by the institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

Societies' contributions

Contributions from societies are taken to credit of the income and expenditure account for the year in which such contributions are received and arrears are not included at the year end.

Other income

Income, other than Societies' contributions, represents the value of services supplied to external customers.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of the fixed assets over their estimated useful lives by equal annual instalments.

Retirement benefits

Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost and past service costs. The excess of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the profit and loss account as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

Deferred taxation

Deferred taxation is provided on timing difference to the extent that it is expected to become payable in the foreseeable future and any amount not provided is disclosed as a contingent liability.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Foreign currencies

Current assets and current liabilities denominated in foreign currencies are translated into euro ("€") at the rates of exchange ruling at the balance sheet date.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the income and expenditure account.

Income and Expenditure Account

Year ended 31 December 2007

	Notes	2007 €	2006 €
Income			
Societies' contributions received		1,368,596	1,525,259
Other income		330,985	225,564
Seminars, training and education		68,162	89,162
Grants received from The Golden Jubilee Trust Fund		-	100,000
		<u>1,767,743</u>	<u>1,939,985</u>
Expenditure			
Payroll			
Salaries and state insurance, less recoveries		786,677	892,558
Pension cost – current service		68,608	(383,142)
		<u>855,285</u>	<u>509,416</u>
Travel and services			
Travel expenses		200,770	190,547
Public relations, education and training		39,968	69,605
Postage and telephone		36,764	39,617
Printing and stationery		17,420	19,733
		<u>294,922</u>	<u>319,502</u>
Overheads			
Rent, rates, light, insurance and household expenses		194,720	124,145
Subscriptions		55,758	59,025
Professional fees		76,992	83,405
Maintenance and repairs		24,575	27,929
Depreciation of fixed assets		20,136	21,631
Loss on disposal of fixed assets		-	-
Miscellaneous expenses		530	-
		<u>372,711</u>	<u>316,135</u>
Finance costs			
Finance expense – pensions	6	(63,535)	(2,000)
Interest and bank charges		-	947
		<u>(63,535)</u>	<u>(1,053)</u>
		<u>1,459,383</u>	<u>1,144,000</u>
Surplus for the year before state grant and taxation		<u>308,360</u>	<u>795,985</u>

On behalf of the Board:

President: *Padraig Gibbons* Director General: *John Tyrrell* Secretary: *Seamus O'Donohoe*

Date: 19th March 2008

General Revenue Account and Statement of Total recognised Gains and Losses

Year ended 31 December 2007

	Notes	2007 €	2006 €
Surplus for the year before state grant and taxation		308,360	795,985
State Grant		13,000	13,000
Surplus on ordinary activities before taxation		321,360	808,985
Taxation	1	(1,081)	-
Surplus for the year		320,279	808,985
Actuarial gain (loss) in respect of pension scheme		(168,000)	503,000
Total recognised gains and losses relating to the year		152,279	1,311,985
Prior year adjustment – pension liability	6	-	-
Total recognised gains and losses since the last financial statement		152,279	1,311,985

All income and expenditure arises solely from continuing operations.

On behalf of the Board:

President: Padraig Gibbons **Director General:** John Tyrrell **Secretary:** Seamus O'Donohoe

Balance Sheet

Year ended 31 December 2007

	Notes	2007 €	2006 €
Current assets			
Bank balances and cash		397,436	458,947
Debtors and prepayments	2	724,145	436,322
		1,121,581	849,532
Fixed assets	3	37,408	53,410
		1,158,989	902,942
Creditors due within one year			
Creditors and accruals	4	858,050	686,324
Loan from the Golden Jubilee Trust Fund	5	209,507	209,507
Pension liability	6	543,313	611,313
Capital employed			
Share capital	7	134	92
General Revenue account deficit	8	(452,015)	(604,294)
Shareholders deficit	9	(451,881)	(604,202)-
		1,158,989	902,942

On behalf of the Board:

President: Padraig Gibbons **Director General:** John Tyrrell **Secretary:** Seamus O'Donohoe

Notes to the Financial Statements

1. Taxation

	2007 €	2006 €
Current tax:		
Irish corporation tax charge on surplus for the year	1,081	-
Current tax credit for the year	1,081	-

The current tax charge for the year is different from the credit/(charge) that would result from applying the standard rate of Irish corporation tax to the surplus for the year. The differences are explained below:

	2007 €	2006 €
Surplus on ordinary activities before taxation	321,360	808,895
Surplus for year multiplied by the average rate of Irish corporation tax for the year of 12 1/2%	40,170	101,112

Effect of:

Disallowable expenses		-
Pension contribution relief in excess of pension cost charge	(33,334)	(81,250)
Capital allowances in excess of depreciation	1,070	293
Other timing differences		
Tax losses available for future utilisation	-	-
Utilisation of tax losses forward	(6,825)	(20,155)
Current tax for the year	1,081	-

The Society has no unutilised tax losses and €54,602 losses forward for 2006 has been utilised against current taxable profits.

2. Debtors and prepayments

	2007 €	2006 €
Trade debtors	44,899	64,285
Prepayments and other debtors	131,281	21,990
Amounts due from related parties:		
Irish Agricultural Food Development Ltd.	-	8,279
ICOS Accel project	40,193	22,819
ICOS Staff Pension Scheme	337,727	267,177
Other Debtors	170,045	6,035
	724,145	436,322



3. Fixed assets

	Furniture, fittings & equipment €	Computer equipment €	Motor vehicles €	Total €
Cost				
At 31 December 2006	237,218	229,830	24,190	491,238
Additions	1,949	2,185	-	4,134
Write down	(180,000)	(182,351)	-	(362,351)
At 31 December 2007	59,167	49,664	24,190	133,021
Accumulated depreciation				
At 31 December 2006	217,866	210,287	9,675	437,828
Charge for year	3,042	12,256	4,838	20,136
Write back	(180,000)	(182,351)	-	(362,351)
At 31 December 2007	40,908	40,192	14,514	95,613
Net book amounts				
At 31 December 2007	18,259	9,472	9,677	37,408
At 31 December 2006	19,352	19,543	14,515	53,410

The estimated useful lives of fixed assets by reference to which depreciation is calculated are as follows:

Furniture, fittings and equipment	10 years
Computer equipment	3 years
Motor vehicles	5 years

4. Creditors due within one year

	2007 €	2006 €
Creditors and accruals	221,621	105,574
Taxation	23,459	34,727
Corporation tax	1,113	-

Amounts due to related parties:

ICOS Services Co-Operative Society Limited	254,907	274,768
Golden Jubilee Trust Fund	356,950	271,255
At 31 December 2007	858,050	686,324

5. Loan from the Golden Jubilee Trust Fund

This loan is interest free and carries no fixed repayment terms.

6. Retirement benefits

The Society's contributions to PRSA's are charged to the Income and Expenditure Accounts as incurred and amounted to €12,062 (2006: €11,765) in this year.

The Society operates a defined benefit pension scheme with assets held in a separately administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Society. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 December 2006 and is available for inspection by the scheme members but not for public inspection.

An actuarial valuation, on which the amounts recognised in the financial statements are based, was carried out at 31 December 2007 and the main financial assumptions used were:

	2007	2006	2005
Rate of increase in salaries	2.50%	2.25%	4.00%
Rate of increase in pensions in payment	3.00%	3.00%	3.00%
Discount rate	5.50%	4.70%	4.25%
Inflation assumption	2.50%	2.25%	2.25%

The assets in the scheme and the expected rate of return were:

	Long-term rate Expected at 31/12/2007	Market Value at 31/12/2007 €'000	Long-term rate Expected at 31/12/2006	Market Value at 31/12/2006 €'000	Long-term rate Expected at 31/12/2005	Market Value at 31/12/2005 €'000
Equity	7.70%	3,653	7.40%	3,914	6.60%	3,199
Bonds	4.40%	482	3.90%	495	3.10%	422
Property/Other	5.70%	496	4.10%	287	3.10%	312
Total market Value of assets		4,631		4,696		3,933
Present value of scheme liabilities		(5,174)		(5,308)		(5,700)
Net pension liability		(543)		(612)		(1,767)

	2007 €'000	2006 €'000
Movement in deficit during the year		
Deficit in scheme at beginning of the year	(612)	(1,767)

Movement in the year:

Income	64	-
Current service cost	(87)	90
Curtailment gain	-	(480)
Contributions	259	260
Net interest cost	-	2
Actuarial Gain/(Loss)	(168)	503
Deficit in scheme at the end of the year	(543)	(612)

The pension scheme trustees have implemented changes in the scheme benefits from the 1st March 2006, including a reduction in benefits and an employee contribution. The impact of these changes on the scheme deficit has been assessed by the actuary and is reflected in the 2007 financial statements.

The following amounts have been recognised in respect of the defined benefit pension scheme:

	2007 €'000	2006 €'000
Charged to operating profit		
Current service cost	87	90
Curtailing gain	-	(480)
	87	(390)
Charged to other finance expense		
Expected return on pension scheme assets	317	242
Interest on pension liabilities	(253)	(240)
Net return	64	2
Analysis of amount recognised in statement of total recognised gains and losses		
Actual return less expected return on assets	(594)	336
Experience gains and losses on liabilities	(19)	(117)
Changes in assumptions	445	284
Actuarial profit/ (loss)	(168)	503

	31/12/2007 €'000	31/12/2006 €'000	31/12/2005 €'000	31/12/2004 €'000
History of experience gains and losses				
Difference between experience and actual return on scheme assets				
- amount (€)	(594)	336	409	92
- percentage of the present value of the scheme assets (12.8%)	(12.8%)	7%	10%	3%

Experience gains and losses on scheme liabilities:

- amount (€)	(19)	(117)	33	(132)
- percentage of the present value of the scheme assets (0.4%)	(0.4%)	(2%)	1%	(3%)

Total amount recognised in statement of total recognised gains and losses:

- amount (€)	(168)	503	(684)	(327)
- percentage of the present value of the scheme assets (3.2%)	(3.2%)	9%	(12%)	(8%)

7. Share capital

	Number	€
At 31 December 2007 and 2006	134	134

8. General revenue account deficit

	2007 €	2006 €
At the beginning of the year, as previously stated	(604,294)	(1,916,279)
Prior year adjustment: FRS 17 – “Retirement Benefits”	-	-
At the beginning of the year, as restated	(604,294)	(1,916,279)
Total recognised gains and losses related to the year	152,279	1,311,985
At the end of the year	(452,015)	(604,294)

9. Reconciliation of movements in shareholders’ deficit

	2007 €’000	2006 €’000
Surplus for the year	320,279	808,985
	320,279	808,985
Other recognised gains and losses relating to the year	(168,000)	503,000
Net reduction in shareholders’ surplus/(deficit)	152,279	1,311,985
Shareholders’ deficit at beginning of the year, as previously stated	(604,202)	(1,916,187)
Renominalisation of Share Capital	42	-
	(451,881)	(604,202)

10. Related parties

The Society, ICOS Services Co-Operative Society Limited, Golden Jubilee Trust Fund, Irish Foundation for Co-Operative Development Limited and Irish Agri Food Development Limited, Dairy Executive Pension Scheme and Irish Co-operative Society Pension Scheme are related parties under Financial Reporting Standard No. 8 – “Related party disclosures”. Amounts owing at the year end 31 December 2007 are Dairy Executive Pension Scheme €25,819, Irish Co-operative Society Pension Scheme €144,226, ICOS Accel project €40,193 and the ICOS Staff Pension Scheme €337,727. Amounts owed by ICOS at 31 December 2007 are ICOS Services Co-Operative Society Limited €254,907 and the Golden Jubilee Trust Fund €356,950.

11. Approval of financial statements

The Board approved the financial statements on the 19th March 2008.

Dairy Co-operative Statistics

Dairy Co-operative Societies 2006						Balance sheet					
			Trading performance			Assets employed		Financed by			
Name of Co-op	Members	Employees	Turnover	Retained profit	Net profit % sales	Fixed assets	Total assets	Shareholders funds	Bank	Other	equity debt/
1 Arrabawn	8,979	192	€132,440.96	€2,552.89	1.93%	€26,654.33	€26,415.72	€26,415.72	€4,645.33	€-	0.18
2 Bandon	715	92	€49,443.69	€1,912.19	3.87%	€6,534.84	€40,734.13	€39,393.66	€-	€1,340.47	0.00
3 Barryroe	736	97	€65,146.65	€2,844.93	4.37%	€49,672.67	€57,024.72	€43,463.50	€12,462.09	€13,561.22	0.29
4 Boherbue	180	54	€13,700.34	€98.21	0.72%	€4,285.06	€7,375.71	€7,325.71	€-	€-	0.00
5 Callan	161	16	€10,167.81	€133.70	1.31%	€3,002.32	€4,758.27	€4,758.27	€-	€-	0.00
6 Centenary Thurles	1,260	168	€75,849.07	€1,076.35	1.42%	€19,745.44	€26,602.40	€26,602.40	€745.40	€-	0.03
7 Connacht Gold	13,800	572	€309,316.00	€1,139.00	0.37%	€53,801.00	€42,325.00	€35,637.00	€20,287.00	€6,688.00	0.57
8 Corcaghan#	288	4	€2,442.00	€55.00	2.25%	€769.00	€1,592.00	€1,592.00	€-	€-	0.00
9 Dairygold	10,916	824	€543,037.00	€1,938.00	0.36%	€182,820.00	€234,647.00	€234,647.00	€42,180.00	€-	0.18
10 Doapey	100	3	€2,173.20	-€64.16	-2.95%	€211.85	€1,027.58	€1,027.58	€-	€-	0.00
11 Donegal	1,653	384	€118,585.00	€2,799.00	2.36%	€56,647.00	€57,262.00	€55,523.00	€15,388.00	€1,739.00	0.28
12 Drinagh	2,671	183	€72,647.14	€6,099.89	8.40%	€63,121.61	€58,316.30	€58,316.30	€9,850.00	€-	0.17
13 Drombane	195	8	€4,708.81	€18.03	0.38%	€354.60	€1,522.73	€1,522.73	€-	€-	0.00
14 Fealesbridge	399	8	€6,612.00	-€218.00	-3.30%	€370.00	€5,152.00	€5,152.00	€-	€-	0.00
15 Glanbia	18,663	3,926	€1,853,427.00	€66,270.00	3.58%	€582,022.00	€1,162,807.00	€200,519.00	€483,805.00	€962,288.00	2.41
16 Irish Dairy Board	70	3,788	€2,074,253.00	€37,753.00	1.82%	€134,170.00	€393,921.00	€347,493.00	€121,082.00	€46,428.00	0.35
17 Kerry Group	9,700	23,289	€4,645,920.00	€236,912.00	5.10%	€2,725,821.00	€4,014,232.00	€1,323,167.00	€1,190,228.00	€2,691,065.00	0.90
18 Kilsannett	281	14	€4,210.63	€72.56	1.72%	€916.75	€1,482.45	€1,482.45	€-	€-	0.00
19 Lakeland Dairies	4,675	667	€430,740.00	-€3,304.00	-0.77%	€79,438.00	€67,882.00	€67,882.00	€60,469.00	€-	0.89
20 Lee Strand	361	62	€25,150.34	€3,571.35	14.20%	€33,592.38	€19,408.19	€19,405.19	€17,571.98	€-	0.91
21 Lisavaird	1,150	73	€41,614.14	€2,623.34	6.30%	€36,844.76	€40,949.08	€40,949.08	€4,523.05	€-	0.11
22 Maudabawn	221	6	€4,696.61	-€70.19	-1.49%	€223.44	€1,063.70	€1,063.70	€-	€-	0.00
23 Mullinahone	82	87	€22,930.79	€335.68	1.46%	€4,768.50	€4,658.43	€3,892.68	€1,029.84	€765.75	0.26
24 Newmarket	720	124	€62,294.00	€1,389.00	2.23%	€7,248.00	€16,106.00	€16,106.00	€567.00	€-	0.04
25 Newtownsandies	261	11	€8,984.00	-€201.00	-2.24%	€128.00	€4,839.00	€4,839.00	€-	€-	0.00
26 North Cork	540	42	€21,588.00	€39.00	0.18%	€3,580.00	€8,865.00	€8,865.00	€-	€-	0.00
27 Oldcastle	-	-	€7,515.53	€176.08	2.34%	€1,480.77	€2,620.11	€2,620.11	€211.12		0.08
28 Tipperary	1,866	137	€126,139.00	€347.00	0.28%	€19,002.00	€25,168.00	€25,168.00	€2,992.00	€-	0.12
29 Town of Monaghan	1,500	120	€165,359.00	€1,364.00	0.82%	€11,348.00	€35,436.00	€35,436.00	€4,380.00	€-	0.12
30 Wexford	681	2	€29,346.24	€32.66	0.11%	€1,031.18	€1,175.23	€1,175.23	€-	€-	0.00
Total	82,824	34,953	€10,930,437.94	€367,695.50	3.36%	€4,109,604.50	€6,365,368.74	€2,641,440.31	€1,992,416.80	€3,723,875.44	0.75

Mart Co-operative Statistics

Mart Co-operative Societies 2006								Balance sheet					
			Trading performance						Assets Employed			Financed By	
Society	Members	Employees (Incl. Part-time)	Livestock Sales	Commision and entry fees	Net Profit	Commision and entry fees as % Sales	Net profits as a % of C&E Fees	Fixed assets	Total assets	Members	Banks	Other	Debt/ Equity ratio
1 Athenny#	1,100	23	€15,681.95	€474.65	-€132.98	3.0%	-28.0%	€5,291.77	€7,331.88	€7,060.04	€271.84	€-	0.04
2 Ballinasloe#	850	36	€19,258.87	€551.02	€134.15	2.9%	24.3%	€1,150.59	€1,503.49	€1,503.49	€121.39	€-	0.08
3 Ballyjamesduff	400	31	€19,000.05	€453.82	€102.28	2.4%	22.5%	€1,328.33	€2,756.19	€2,756.19	€360.01	€-	0.13
4 Castleisland	313	23	€33,671.99	€1,050.99	€308.09	3.1%	29.3%	€1,148.53	€2,580.66	€2,580.66	€1,461.19	€-	0.57
5 Castlerea	952	23	€21,047.20	€749.00	€181.59	3.6%	24.2%	€875.16	€1,250.46	€1,250.46	€33.45	€-	0.03
6 Central Auctions	1,100	39	€40,339.27	€1,219.16	€145.52	3.0%	11.9%	€2,879.47	€3,114.06	€3,114.06	€106.61	€-	0.03
7 Clare	2,615	41	€59,183.62	€1,866.41	€442.64	3.2%	23.7%	€6,451.51	€6,382.87	€6,382.87	€-	€-	0.00
8 Cork Marts	15,100	152	€80,800.00	€3,823.00	€515.00	4.7%	13.5%	€72,585.00	€51,774.00	€51,774.00	€17,975.00	€-	0.35
9 Dingle	270	16	€1,655.21	€124.37	€191.14	7.5%	153.7%	€1,394.46	€519.22	€519.22	€315.25	€-	0.61
10 East Donegal	283	21	€19,211.77	€451.60	€144.95	2.4%	32.1%	€381.63	€1,020.52	€1,020.52	€-	€-	0.00
11 Gort	1,200	17	€12,019.95	€440.14	€43.24	3.7%	9.8%	€1,753.30	€590.12	€590.12	€654.54	€-	1.11
12 Iveragh**	450	6	€6,143.33	€184.30	€7.68	3.0%	4.2%	€213.76	€210.59	€210.59			0.00
13 Kanturk**	240	20	€15,944.57	€478.34	€84.97	3.0%	17.8%	€1,164.52	€1,499.94	€1,499.94	€13.32		0.01
14 Kenmare**	600	13	€10,002.27	€300.07	€56.88	3.0%	19.0%	€429.05	€572.12	€572.12	€-		0.00
15 Kilkenny	1,112	47	€32,668.03	€892.20	-€20.55	2.7%	-2.3%	€15,051.57	€15,401.56	€15,401.56	€6,090.07	€-	0.40
16 Kingdom **	710	9	€11,806.13	€354.18	€1.43	3.0%	0.4%	€2,403.53	€1,119.03	€1,119.03	€1,030.56		0.92
17 Leinster #	1,026	13	€14,117.56	€352.94	-€41.78	2.5%	-11.8%	€224.59	€2,056.87	€2,056.87	€-	€-	0.00
18 Mayo Sligo**	980	24	€19,898.37	€596.95	€125.18	3.0%	21.0%	€2,017.44	€3,552.78	€3,552.78	€-	€-	0.00
19 Mid-Kerry**	446	10	€8,354.70	€250.64	€7.68	3.0%	3.1%	€567.55	€866.77	€866.76	€-	€-	0.00
20 Mid-Tipperary	962	17	€24,759.13	€673.49	€119.86	2.7%	17.8%	€387.23	€1,518.66	€1,518.66	€-	€-	0.00
21 Milford **	434	25	€6,695.83	€200.88	€0.74	3.0%	0.4%	€148.62	€666.80	€666.80	€-	€-	0.00
22 Roscommon	487	37	€21,860.09	€682.56	€61.16	3.1%	9.0%	€360.33	€1,715.99	€1,715.99	€-	€-	0.00
23 Templemore	950	12	€7,287.68	€195.14	€41.68	2.7%	21.4%	€222.46	€447.44	€447.44	€-	€-	0.00
24 Tuam	1,300	19	€11,960.23	€474.45	€165.28	4.0%	34.8%	€522.19	€734.21	€734.21	€-	€-	0.00
25 Waterford/ Ross **	1,164	9	€6,666.77	€200.00	-€7.22	3.0%	-3.6%	€718.74	€375.97	€375.97	€194.86	€-	0.52
26 Wexford Farmers ***	4,205	174	€26,254.00	€656.35	€3,205.90	2.5%	488.4%	€14,521.67	€15,434.18	€15,434.18	€218.26	€-	0.01
TOTAL	39,249	857	€530,606.61	€17,696.64	€5,884.50	3.3%	33.3%	€134,192.99	€124,996.38	€124,724.54	€28,846.37	€-	0.23

Note 1: ** Assumed turnover using average C&E fees of 3%

Note 2: # Previous years results

Note 3: ***Assumed C&E fees of 2.5%

Other Co-operative Statistics

Other Co-operative Societies 2006						Balance sheet					
Society	Members	Employees (Incl. Part-time)	Trading performance			Assets Employed			Financed By		
			Total Sales	Net Profit	Net profit as % Sales	Fixed assets	Total assets	Members	Banks	Other	Debt/ Equity
CATTLE BREEDING SOCIETIES											
1 SECBS	10	42	€2,988.40	€233.79	7.82%	€1,357.76	€1,707.03	€1,707.03	€-	€-	0.00
STORE SOCIETIES											
2 Clonleigh	650		€13,819.66	€176.95	1.28%	€1,373.44	€3,061.07	€3,061.07	€-	€-	0.00
3 Templecrone#			€19,572.49	€3,822.90	19.53%	€2,851.57	€9,181.25	€9,181.25	€-	€-	0.00
4 Inishowen	1,900	68	€19,670.99	€829.73	4.22%	€4,874.83	€5,736.36	€5,736.36	€2,658.09	€-	0.46
PIG SOCIETIES											
5 Glen of Aherlow	173	18	€2,207.64	€569.35	25.79%	€3,875.61	€6,121.46	€6,121.46	€-	€-	0.00
6 Roughty Valley	20	9	€1,840.28	€24.88	1.35%	€714.85	€801.15	€801.15	€382.43	€-	0.48
SPECIALIST BREEDING SOCIETIES											
7 Irish Angus Cattle #			€230.88	€46.79	20.27%	€13.91	€377.45	€377.45	€-	€-	0.00
8 Irish Charolais Cattle	2,671	4	€875.67	€191.07	21.82%	€167.91	€1,637.02	€1,637.02	€-	€-	0.00
9 Irish Limousin #	1,100	4	€570.52	€72.72	12.75%	€335.22	€625.41	€625.41	€-	€-	0.00
10 Irish Pedigree Pigs #	8	1	€9.00	€1.00	11.11%	€1.00	€13.00	€13.00	€-	€-	0.00
11 Irish Simmental #	800	2	€234.54	€49.11	20.94%	€325.00	€219.18	€219.18	€-	€-	0.00
MISCELLANEOUS SOCIETIES											
12 Country Markets	13,331	1	€2,374.79	€18.14	0.76%	€14.88	€290.97	€290.97	€-	€-	0.00
13 IFAC #	14,434	110	€7,769.00	-€1.00	-0.01%	€1,673.00	€5,958.00	€5,958.00	€-	€-	0.00
14 Irish Horse Board	9,800	12	€2,984.68	€243.12	8.15%	€57.65	€502.13	€502.13	€-	€-	0.00
15 FDC			€10,511.14	€939.20	8.94%	€3,291.47	€5,400.34	€5,400.34	€-	€-	0.00
16 Nat Co-op Farm Relief	20,000	117	€718.48	€48.14	6.70%	€177.42	€831.52	€831.52	€-	€-	0.00
17 NFGWS		11	€756.28	€302.18	39.96%	€64.63	€302.68	€305.68	€-	€-	0.00
18 Irish Co-op Society	29	119	€15,806.00	-€1,353.00	-8.56%	€8,758.00	€6,038.00	€6,038.00	€2,389.00	€-	0.40
TOTAL	64,926	518	€102,940	6,215	6.04%	29,928	48,804	48,807	5,430	-	0.11

Note 1: # Previous years results

Fishing Co-operative Statistics

Fishing Co-operative Societies 2006						Balance sheet					
Society	Members	Employees (Incl. Part-time)	Trading performance			Assets Employed			Financed By		
			Total Sales	Net Profit	Net profit as % Sales	Fixed assets	Total assets	Members	Banks	Other	Debt/ Equity
1 Burtonport #	352	114	€8,645.65	-€313.63	-3.6%	€2,285.53	€5,269.41	€5,269.41	€200.62	€-	0.04
2 Castletownbere #	59	130	€28,810.15	€15.93	0.1%	€3,128.95	€4,256.04	€4,256.04	€2,613.58	€-	0.61
3 Donegal #	82	10	€16,634.81	-€803.37	-4.8%	€526.65	€504.42	€504.42	€4,194.09	€-	8.31
4 Dunmore East	32	19	€3,885.61	-€92.64	-2.4%	€520.52	€262.87	€262.87	€200.40	€-	0.76
5 Foyle #	18	8	€788.51	€26.23	3.3%	€189.72	€595.91	€595.91	€16.64	€-	0.03
6 Galway & Aran #	61	26	€10,522.74	€6.83	0.1%	€955.19	€851.37	€851.37	€-	€-	0.00
7 South & East Coast	95	2	€1,712.71	-€112.87	-6.6%	€107.16	€21.80	€21.80	€-	€-	0.00
8 South Wexford Lobsters #	24	1	€100.31	€11.43	11.4%	€17.78	€45.71	€45.71	€7.00	€-	0.15
9 South East Shellfish #	-	-	€898.79	€15.22	1.7%	€69.14	€154.49	€154.49	€75.43	€-	0.49
TOTAL	723	310	71,999	-1,247	-1.7%	€7,800.64	€11,962.02	€11,962.02	€7,307.75	€-	0.61

Note 1: # Previous years results

Summary of Co-operative Statistics

Summary of Statistics 2006					
	Total	Dairies	Marts	Fishing	Others
Number of Societies	80	30	26	8	16
Members	187,722	82,824	39,249	723	64,926
Employees	36,638	34,953	857	310	518
Trading Performance (€'000's)					
Total Sales	€11,635,984.27	€10,930,437.94	€530,606.61	€71,999.28	€102,940.44
Net Income	€378,548.21	€367,695.50	€5,884.50	-€1,246.87	€6,215.08
Net Income as % of Sales	3.25%	3.36%	1.11%	-1.73%	6.04%
Balance Sheet (€'000's)					
Fixed Assets	€4,281,526.27	€4,109,604.50	€134,192.99	€7,800.64	€29,928.14
Total Assets	€6,551,131.17	€6,365,368.74	€124,996.38	€11,962.02	€48,804.02
Members Funds	€2,826,933.89	€2,641,440.31	€124,724.54	€11,962.02	€48,807.02
Bank Borrowings	€2,034,000.44	€1,992,416.80	€28,846.37	€7,307.75	€5,429.52
Other €3,723,875.44	€3,723,875.44	€-	€-	€-	
% Debt/Equity	71.95%	75.43%	23.13%	61.09%	11.12%

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ICOS Annual Report & Accounts 2007



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