

119th
ANNUAL
REPORT &
ACCOUNTS
2013

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President's Report

2013 was an unusual year for agriculture and the agribusiness sector – extremely wet conditions early on as the very poor weather of 2012 continued into the spring of 2013, followed by very beneficial summer and autumn weather which lasted well into the year end. The bad weather added significantly to farmer costs in the first half of the year, especially with feed input costs at such high historic levels. Co-operatives in turn were faced with rapidly expanding debtor books as farmers relied on their co-operatives for credit, to an even greater extent than usual. Our co-operatives deserve great praise for the leadership role they adopted during the fodder crisis. At the height of the crisis our larger co-operatives were importing as many as ten loads of fodder daily and many of our other co-operatives made huge efforts proportionate to their size and scale of operations. The improvement in weather conditions and more importantly in markets for milk and beef in the second half of 2013 helped greatly to offset those costs. Despite the bad weather at the start of the year, overall 2013 will rank as a good year for most farming sectors and for agribusiness.

DAIRY SECTOR

The dairy sector showed a significant improvement in 2013 when compared to 2012. Milk prices increased to an average of approximately 39c/l. Milk deliveries were some 3.5% higher. A substantial part of the benefit of the higher price and stronger deliveries was, however, offset by much higher input costs. Nonetheless, average dairy farm incomes were significantly improved over 2012 income levels.

Demand for dairy products internationally was generally strong with very high world dairy commodity prices. For 2014, certain increase in the global supply of milk is foreseen. While this is likely to affect milk price from the second quarter of 2014 onwards, its effect should be restrained. 2014 milk prices could well retain a good portion of the gains made in 2013. Despite a pending superlevy bill for 2013 forecast to be in the order of €15 million, the positive outlook for milk when coupled with falling feed and fertiliser prices provides grounds for optimism in 2014.

At processing level, the enormous investment that has taken place since 2007 has moved Irish products significantly up the value chain, focused as it is now on high value infant formula ingredients. In total, around €500 million will have been spent on processing capacity and value added in the last few years. The Irish dairy sector is now strongly focused on real markets with the fat portion of our production (butter and cheese) largely targeted at strong internal EU markets. Our protein production is now increasingly targeted towards infant formula ingredients and consumers in high growth developing countries.

MART SECTOR

Despite a 30% increase in live exports in 2013 than in the previous year, the decision by HSBC bank to appoint a receiver to TLT International, (a major exporter of weanling stock), represented a significant wake up call to some livestock marts in the sector. Collective mart exposure to the receivership was estimated to be of the order of €3.5 million. Undoubtedly, this level of potential



MILK DELIVERIES **3.5%** HIGHER
30% INCREASE IN LIVE EXPORTS

loss is an unwelcome shock for the sector. The issue of marts credit policy has been the subject of much discussion since the appointment of a receiver to TLT International Ltd. late last year. The policy of the ICOS Marts Committee has been to encourage marts not to provide any credit to purchasers of stock. In parts of the country where there are a large number of private and co-operative marts competing against one another some mart boards have found to the introduction of a more prudent credit policy challenging. Those mart operations with a number of sales outlets and larger scale operations have by and large been more successful in managing their credit policies.

The business environment which marts are currently encountering is changing. Increasing cost pressures from ever increasing regulatory burdens are posing challenges in respect of the number of individual mart firms currently competing with each other. The establishment of the Property Services Regulatory Authority (PRSA) last year, with its powers to licence and regulate the mart sector, has been welcomed by ICOS as it reinforces and underpins the existing commitment and practice on the part of our co-operative livestock marts to guarantee to pay all sellers of stock through the livestock mart system.

ICOS has a clearly enunciated policy in respect of the need for mart consolidation and rationalisation. In many instances, this does not require the closure of mart centres as such, as at times seasonal supplies of stock would require all of the existing capacity available. What is required however is the consolidation of a number of mart centres into one co-operative society with a view to achieving economies of scale.

Ultimately the role of co-operative marts is to improve price transparency in the cattle sector. Marts do this through providing a live auction system that allows a certain volume of stock to be exported live from this country. This provides farmers with a very valuable and transparent countervailing force to the dominance of a small number of privately owned beef processing factories in this country.

RURAL BUSINESS

Despite the perceived dominance of our dairy and livestock marts, ICOS continues to commit a fair share of resources to our smaller and miscellaneous co-operatives, much of it under the umbrella of the ICOS Rural Business Committee. 2013 has been particularly challenging for our group water scheme co-operatives as they prepare to adapt to a new regime where Irish Water will have assumed control of the public water asset from the 1st of January this year. In many parts of the country, groups of forestry growers are organising as timber marketing co-operatives with the assistance of ICOS. ICOS also sees a resurgence of interest in local community co-operatives as more communities recognise that unless they organise themselves to deliver certain local goods and services, they will have to do without as the State is not in a position to continue providing such services.

Bertie O'Leary
President

Chief Executive's Report

Measured in terms of sales turnover, exports and employment, the agribusiness sector is now regarded as having a key role in economic recovery in Ireland. Yet, it is a sector facing many challenges. Through organic growth acquisitions and mergers our agribusiness co-operatives have a significant business presence in this country. Yet when judged by the scale of their international competitors, both co-operative and investor owned, there is clearly a need for further consolidation. Arla for example process more than 90% of the Danish and two thirds of the Swedish milk pool. It has revenues of €9.8bn in 2013 and processed more than 12.3 billion litres of milk, more than twice the Irish milk pool. There is a challenge here to build co-operative agri-businesses of a sufficient scale to be competitive while at the same time persuading farmers as to the importance of investing sufficient equity in the business to ensure they retain control. Our dairy-multipurpose co-operatives are currently tasked with addressing this challenge.

In a highly competitive business environment where an increasing number of goods and services are being traded globally, "adapt or perish" is the challenge for many of our co-operative. For a co-operative, it is the form that this adaptation takes that needs careful consideration. There is a danger that co-operatives, in responding to market place pressures, can lose sight of the defining co-operative characteristics that make them different from other businesses. In the end, the success of any co-operative is measured by its ability to compete effectively in the market place. As well as business success in the conventional sense of generating profits and having a strong balance sheet, the business performance must translate into tangible measurable and sustainable benefit for the members who are actively trading with it. Irrespective of the particular structural and operational arrangements that a board comes to on behalf of its members, members should ask themselves three questions:

- (i) How is the relationship between the member and the co-operative going to be structured?
- (ii) How will ownership and financing by members be structured?
- (iii) How will governance and voting control be structured?



Martin Keane, Bertie O'Leary & Seamus O'Donohoe at ICOS 2013 AGM

The challenges faced by the boards and membership of all our co-operatives is to maintain strategic control of their marketing channels whilst at the same time ensuring that their business is adequately financed and positioned in the marketplace. If our co-operatives are to compete successfully, the vast majority of them must grow the scale of their business substantially. As a first step, achieving scale through consolidation and amalgamation of co-operatives domestically is the optimal strategy. Beyond this, Irish co-operatives will have to explore new ways of developing international strategic alliances with other co-operatives. Organisational and governance structures will have to be created that can both accommodate farmers



ICOS SUPPORTS FURTHER CONSOLIDATION AND RATIONALISATION OF OUR CO-OPERATIVES BOTH WITHIN OUR DAIRY AND LIVESTOCK SECTORS WHERE THIS ENHANCES COMPETITIVENESS AND BENEFITS FOR FARMERS.

from other countries as members of the co-operative or allow for the development of marketing alliances with likeminded co-operatives from other countries. Internationalisation is risky and costly and there are limits to the costs and risks that an Irish farmer member could prudently afford to burden his own farm business with. In general, Irish co-operatives are likely to be better served by taking a collaborative approach to international marketing rather than having some co-operatives build their own individual global marketing platforms for certain dairy products. In addition, consideration must be given to creating strategic alliances with farmers and co-operatives in other countries, as has already been done by co-operatives such as Arla and Friesland Campina.

A slow pace of consolidation and rationalisation between co-operatives can contribute to 'co-operative drift'. In the dairy sector, for example, it can be argued that over the last 30 years the relatively slow pace of co-operative consolidation in the era of quota constraint, was one of the motivations behind co-operatives seeking risk capital from external investors and using it to make milk and non-milk related investments in Ireland and abroad. The imperative being to grow the business, rather than remain static. For some, but not all, of these co-operatives, success in terms of growth in balance sheet wealth and profitability followed. The extent to which these developments impacted in a positive or negative way on the relationship between the member and his co-operative has varied as and between the various co-operatives who chose this path. The question arising for our co-operative boards is:

What strategic approach should co-operatives now be taking to ensure their competitiveness whilst at the same time maintaining its focus of being of benefit over the longer term to user members?

For an agri-business co-operative, its business plan must focus on the actively trading user members. Its challenge is over the longer run, to deliver higher quality and higher value goods and services to its members than can be delivered from any alternative supplier.

Having adequate risk capital is the life blood of any business. The source of that risk capital is also what determines who controls the business and who most gains (or loses) from the business. In an investor owned firm, it is the investor in a co-operative it is the actively trading member. To the extent that risk capital is being sourced from a) inactive members, b) outside investors and c) banks, there will be some dilution of control and some sharing of the benefits by the member with these other stakeholders.

As we approach the ending of quotas, there is much debate and discussion on issues such as: milk supply agreements, co-operative financing and future relations between the co-operative and their members. This questioning provides a focus for discussion, on the part of milk suppliers. In particular, as to whether they see membership, ownership and control of processing and marketing capability as being worth committing to in terms of financing and milk supply commitment. This question is of much relevance to expanding and new milk suppliers. ICOS supports further consolidation and rationalisation of our co-operatives both within our dairy and livestock sectors where this enhances competitiveness and benefits for farmers.

For beef and livestock farmers, the dominance of a small number of investor owned firms in beef processing is providing a very expensive lesson to farmers on the long term costs to them of not having a co-operative controlled business in that sector and of the importance of ensuring that the live export trade is not constrained by artificial barriers.


Seamus O'Donohoe
CEO

Major Developments in ICOS Co-ops in 2013

Finalising agreement on the Common Agricultural Policy



ICOS policy on CAP was to focus on the neglected single common market rule aspects of the deal. The ICOS focus was on issues that are vital for Irish co-operative agribusiness plans for growth both domestically and on key export markets.

To this end ICOS made great efforts to block proposals on dairy supply management proposals in Article 156a. ICOS also focused on improving the 'tool box' to help our industry combat market volatility, such as Private Storage Aid rules, Intervention rules and Risk Management.

Milk remained the outstanding issue in the final hours of the CAP, with the European Parliament looking for powers over the rates of intervention. This, ICOS feels will politicise a vital tool which should be handled by technical experts at member state level rather than politicians.

ICOS worked to ensure rules on the formation and protection of Producer Organisations (POs) would help protect the co-operative model that has been at the heart of farmer controlled Irish Agri-business for over a century.

Positive Re-opening of live exports to 3rd Countries



Live shipping of weanlings and calves was up significantly during 2013. Overall exports for 2013 exceeded 210,000 animals, which was over 30% higher than 2012 and a very similar figure to the 2011 level of exports. There were two principal drivers of the stronger live export trade. Domestic calf prices became a lot more competitive and the resumption of live exports to Libya (which accounted for almost 15,000 cattle and 21,000 sheep).

Calf exports to Belgium increased by 146%, followed by 114% for the Netherlands. Exports to France reached almost 7,000 head, Spain increased by 140% (mainly consisting of calves) and weanling exports to Italy fell by 32%. Exports to Northern Ireland were 13% lower than in 2012.

Performances of Dairy Co-ops



ICOS dairy co-ops have been going from strength to strength with most reporting increases in profits in 2013. Dairy co-ops and processors are collecting milk from 17,000 dairy farms, employing nearly 35,000 people worldwide and exporting products worldwide. In 2013, ICOS used workshops, conferences and research to promote a concerted national effort to assist farmers in managing increased milk production and the inevitable price volatility that will characterise global markets, both for dairy products and for supply inputs in 2014 after the abolition of quotas. Irish markets have had substantial volatility over the last five years even with a quota environment to control supply.

Future of National Federation of Group Water Schemes



With the establishment of Uisce Eireann/Irish Water in 2013, the NFGWS have been calling for clarification on issues surrounding the responsibilities of community organised water supply. NFGWS have highlighted three issues that need to be resolved for its large membership:

1. Previous relationships on supply of water were between GWS and their local authority – it needs to be clarified who the Schemes will deal with now
2. Policies or procedures and definitions of roles and responsibilities of those involved must be developed. This needs to happen to ensure efficient supply of clean, safe water to homes
3. The operating costs incurred on safe delivery of water from the connecting bulk meter to the GWS member must be recognised and catered for in a straight forward and sustainable manner

ICOS Dairy Report

– TJ Flanagan (Dairy Policy Executive) and George Kearns (Consultant)

The ICOS Dairy Committee had a very busy and productive year in 2013, meeting on a total of nine occasions.

The Committee devoted a significant amount of time and resources to the development of the Sustainable Dairy Assurance Scheme, co-ordinated by Bord Bia. The Secretary represented the Committee on the Technical Advisory Committee for the Scheme Standard, and the committee worked hard to ensure that the Standard achieved a balance between being practical and easily implementable at farmer level, and being adequately robust and credible at customer and consumer level. The Committee was strongly of the view that in advance of final approval for the Scheme Standard, there needed to be full consultation with co-op boards, as well as demonstration audits, at co-op/regional level, so that board members could get a full understanding of the Standard and the Audit process, and satisfy themselves that it was a fair and balanced requirement on suppliers. Those demonstration audits took place in late summer, and contributed significantly to the subsequent strong support for the Scheme.

Milk price volatility, and measures to counteract it, received a significant amount of attention from the Committee. Members heard a number of presentations from external agencies, including the Irish Dairy Board, FC Stone (Commodity Risk Managers) and CNIEL, the French Dairy Industry umbrella body. A consensus was reached that volatility will remain a feature of



TJ Flanagan, Dairy Policy Executive

dairy markets, and that the industry should try to achieve a position whereby it could offer to farmers the opportunity to de-risk at least a portion of their milk production. This could be by the use of fixed-price back-to-back contracts, or, ultimately the use of futures markets to hedge milk prices. Much work needs to be done before a suitable hedging tool becomes available to de-risk Irish milk prices, but the Committee is working to create the circumstances whereby that work can be done. ICOS believes that the first step in the development of such a hedging tool is the creation of a transparent index, representing the true commercial value of milk. Such an index would need to capture and reflect the value of all Irish commodity milk products, and all the constituents of the milk. Such indices exist already in a number

of European countries, but there is a widely held view that a Irish index would be most representative of the commercial value of milk, given that the Irish industry is the only one in Europe that is truly exposed to global dairy ingredient markets, and relatively unexposed to the distortions of domestic retail markets.

The importance that the Committee placed on volatility was evident in the programme for the ICOS National Conference in November. The dairy stream of the workshop sessions featured a valuable exposé of the issues around dairy futures markets, facilitated by Mr Bart Van Belleghem of EUCOLAIT, the European dairy trade federation.

The Committee met with representatives of Animal Health Ireland during the year, to consider the issues around the national pilot Johnes Disease Control programme. The Committee is fully supportive of the programme, given that it can demonstrate the value and the science behind measures to minimise the spread of the disease, and to capitalise on Ireland's current low incidence of the disease. The Committee also keeps a close watch on developments in European Veterinary Medicines legislation. Forthcoming legislative changes will pose challenges to the current distribution regime for common medicines such as anthelmintics, and the Committee will work to minimise its effects.



Milk Quota Removal

Despite the apparent clarity surrounding the decision to remove milk quotas in 2015, a strong campaign was orchestrated in the European Parliament, as part of the CAP negotiations, to reintroduce supply controls, by way of a levy, in times of weak markets, on farmers who grew milk supply, and compensation for those who reduced milk supply. The proposals gained some traction, and the committee worked, particularly with the Bussels office, to ensure that the campaign was defeated. Latterly, the Committee has worked to seek measures to reduce the potential super levy exposure of some farmers in the last two seasons of milk quotas.

Martin Keane, of Glanbia Co-operative, the ICOS Dairy Committee Chairman, met German Dairy leaders in the Plunkett House in September to co-ordinate opposition to European Parliament milk supply control proposals

Producers should be aware of the following:

- No 0.75% increase from 1st April 2014
- Changes to fleximilk allocation criteria
- Decreasing National Reserve Pool



MILK QUOTA MANAGEMENT

An over quota position of 0.94% at 31st March is now the likely outcome of the national milk quota figure for the quota year 2013/2014. In addition, an over quota supply invariably means a carryover of supplies into the first days of April 2014, which is the commencement of the last year of the milk quota regime.

It appears inevitable that milk production will continue to expand in the last quota year as farmers buoyed up by strong milk prices continue to expand their herds in anticipation of the removal of quotas.

However, producers should not lose sight of milk quota management in the interim and should also appreciate that all elements of the milk quota regulations will apply up to and including 31st March 2015. Equally producers who plan to come on stream must also factor into their planning, the basic requirements of the milk quota regulations.

Over the past number of months, ICOS and the dairy co-operatives in particular have been emphasising those particular points. In regard to new producers coming on stream in 2015, under the milk quota regulations, a co-operative can only accept milk from a producer where that producer has a milk quota. This means that a producer planning to commence production in January-March 2015 will not be able to supply the milk purchaser unless he has a milk quota allocation. In addition, it is most likely that, with current milk supply trends and the continued expansion in the national herd that many existing producers will be challenged in avoiding a superlevy bill on 31st March 2015.



Minister Simon Coveney T.D. and ICOS meet on dairy industry

Working with the Quota Review Group, the Department has proposed that new producers could be given a token quota from the National Reserve but would then carry the risk of a superlevy fine. Two points arise:

1. A nominal quota of say 100 litres leaves the new producer open to the full superlevy risk of 28.66 c/l. This is on top of all his set up costs.
2. The temporary allocation from the National Reserve does not give that producer entitlement to Flexi Milk, or temporary leasing.

For current producers who are expanding, allowing for milk volumes carried forward supply into April 2014 and with buoyant markets a continued over supply position is equally likely in the last quota year. Producers should be aware of the following for the final quota year:

- No 0.75% increase from 1st April 2014
- Changes to fleximilk allocation criteria
- Decreasing National Reserve Pool

The last of the five 1% quota increases came into operation from 1st April 2013. In addition, the fleximilk rules for the quota year 2014/2015 changes are an 80:20 split. In regard to the trading scheme, the final trading scheme had a closing date of 7th February 2014.

This was the last opportunity for producers to either buy or sell quota. The increase in the number of buyers in the scheme showed producers keen to purchase, even at a modest price, as an insurance policy against a superlevy of 28.66 c/l on 31st March 2015. The National Reserve has now no replenishment, and this year after the hardship and disease allocations, it will be less than 4 million litres.

Some commentators have been making suggestions in respect of possible changes as to how the superlevy regime might operate. These proposals do nothing but cloud the overall position. That position as clearly set out by the Commission through its various regulations and EU policy. All milk quota rules and regulations continue in force to 31st March 2015 and thereafter.

MILK QUOTA TRADING SCHEMES

The last of the Trading Schemes was completed in March 2014 and allocations made available to producers from the 1st April 2014. The last two Schemes showed an increase in the number of buyers but only a small increase in the number of sellers. However, the large number of buyers did result in an increase of 4.2% in the weighted average national price. In the first Scheme of 2014, there was almost a 30% decline from the previous years' Scheme and the last phase showed a slight increase to 11.3 c/l from 10.84 c/l.

The second stage of the 2014/2015 Trading Scheme was the final opportunity to purchase or sell milk quota. All co-operatives, via newsletters, circulars and milk statements highlighted that fact to all producers. The Department of Agriculture accommodated the late sellers wherever possible.

FLEXIMILK CHANGES

Dairy co-operatives have advised their producers that the criteria for fleximilk allocations was changed four years ago, but owing to the under quota position pertaining in some of the years the issue was not relevant. The fleximilk criteria for the milk quota year 2013/2014 was 85% and 15% and for the final quota year it is 80% and 20% under or over the quota bands of 350,000 litres.

MILK QUALITY

1. Milking Machine Technicians

The Irish Milk Quality Co-operative (IMQCS) continues its annual programme of training and refresher courses for technicians registered with the IMQCS. The technicians registered are on the IMQCS website www.milkquality.ie and co-operatives are urged to ensure that registered technicians are recommended to dairy farmers for the servicing of the milking machines. It is equally important to note that only technicians registered with the IMQCS are approved by Bord Bia in regard to the certification of the milking machine under the Bord Bia Quality Assurance Scheme and equally for the Department of Agriculture Dairy Hygiene Grant Scheme.

2. General Milk Quality Programmes

The IMQCS continues to offer a milk quality programme working in conjunction with Animal Health Ireland and Teagasc. The major areas are the Cell Check Programme, Johne's Disease, which is a programme that was launched in the summer of 2013 and ongoing research in various quality programmes on raw milk and finished product at Teagasc, Moorepark. The major development in milk quality in 2013 was the launch at the end of the year of the Bord Bia Quality Assurance Scheme. This scheme will be rolled out over the next number of years and dairy farmers given the opportunity to comply with the standards.



Work of the ICOS Brussels Office

– Conor Mulvihill (European Affairs Executive)

2013 turned out to be one of the busiest years in decades for the ICOS Brussels office with the political side of CAP being agreed in the dying days of the Irish Presidency at the end of the summer.

The lobbying over the legal text continued into the winter, with attention in 2014 turning to the implementation of the CAP at national level in Ireland.

The €12.5 billion that will be delivered to Irish agriculture up to 2020 will underpin our co-operative businesses across the island, promote production, help insulate us from the worst ravages of market volatility and help us to position our industries to take advantage of export opportunities in the future.

2013 marked the 40th anniversary of the ICOS Brussels office and this longevity has marked our organisation out from others an established, trusted and effective actor on behalf of Irish co-operative industry in the key European arena.

ICOS was particularly delighted to mark this anniversary, by hosting a COGECA Presidium in the Clyde Court Hotel Dublin, where all Agri co-operative leaders from across Europe were welcomed by our President, Bertie O’Leary.

With CAP finally looking to wind down, ICOS is planning for the future development of many of our co-operative businesses. Securing foreign markets through trade is fundamental to this. The EU now negotiates all of Ireland’s foreign trade deals as part of the world’s largest and wealthiest trading block.



Conor Mulvihill (European Affairs Executive)

ICOS recognise huge opportunities and dangers for our industry contained within these deals, and it is important Irish agri-business is strongly represented at these talks.

Along with these major campaigns a myriad of other very important pieces of legislation and policy affecting our co-operative businesses were progressing in Brussels. Heavy legislative work on behalf of ICOS interests continued across a broad spectrum of issues. Examples of these actions include:

- Market management and market information
- Competition law
- Supply chain and co-ops
- Cooperative law reform
- Environmental policy- farm and processing level
- Young farmer promotion
- Common fisheries policy
- Taxation and legal questions for co-ops

The last 40 years of the Brussels office has given great service to the Irish co-operative movement, but things are changing rapidly, with our businesses becoming increasingly open to global changes. Because of this it is important that we continue to evolve the work of the office to ensure that it is as effective as possible to help grow market return and intelligence to co-op members and their employees.

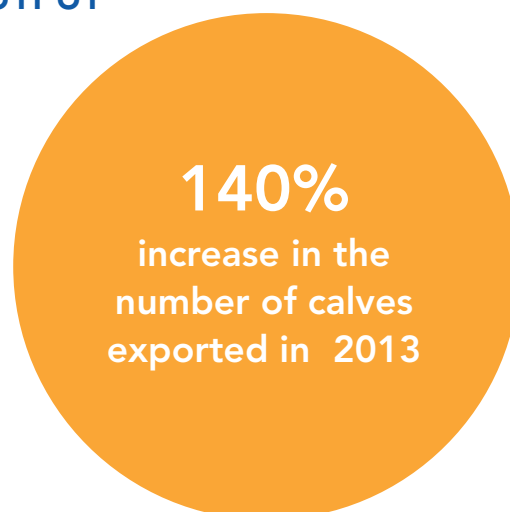
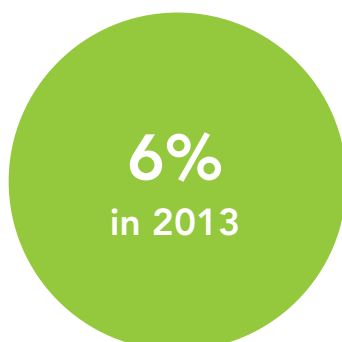
- Rural Development & Co-operative Business development
- Labelling of dairy products
- Quality & hygiene production law
- Labelling of livestock products



ICOS Representation on Brussels Based Committees

Representation Topic	COGECA	EU Standing Committee
Cogeca Presidium	Bertie O'Leary & Seamus O'Donohoe	
CAP	Conor Mulvihill	Conor Mulvihill
Milk & Dairy Products	TJ Flanagan	TJ Flanagan
Beef	Ray Doyle	Conor Mulvihill
European Association of Livestock Marts	Michael Spellman & Ray Doyle	
Agriculture Structures & Rural Development	Conor Mulvihill	Conor Mulvihill
Environment	Conor Mulvihill	Ray Doyle
Veterinary Questions	TJ Flanagan	TJ Flanagan
Legal Questions	Seamus O'Donohoe	
Co-operative Coordination Committee	Conor Mulvihill	
Quality & Health	Conor Mulvihill	
Promotion of Agricultural Products	Conor Mulvihill	Conor Mulvihill
European Network on Rural Development	Conor Mulvihill	Seumas O'Brien
Research & Innovation	Conor Mulvihill	
Commission Civil Society Stakeholder Group on Trade	Conor Mulvihill	

LIVESTOCK MARTS - INCREASE IN MART OUTPUT



Livestock Marts

– Ray Doyle (Livestock and Environmental Services Executive)

2013 will be remembered in the livestock business for being the most challenging regarding fodder supplies and costs for many years. Expenditure on concentrate feed was up by over 50% on dairy and 70% on beef farms which totalled €319m for the sector. Another compounding factor for farmers and marts was that cattle were slaughtered early due to lack of feed which meant that marts had very poor throughput figures for the first half of 2013 as farmers would not present poor looking cattle in the marts. Fortunately, from May onwards the near perfect growing and harvesting conditions translated into a plentiful supply of fodder and grain that was saved for the winter. Livestock marts had very strong sales right up to December and caught up on the lost sales early in the year.

During 2013, ICOS mart throughput figures increased, nationally by over 6%. The regional breakdown however illustrated a large regional variation on this average figure as the western and northern regions did not experience the increase in numbers when compared to the southern and eastern counties. The regional breakdown was as follows:

Ulster	+6.7%
Munster	+7.0%
Leinster	+6.5%
Connacht	-3.0%

The increase in calf births during 2013 being concentrated on the dairy bred sector rather than the more traditional suckler cows in the west and north partially explains the decline in mart throughput in these regions.



Ray Doyle, Livestock and Environmental Services Executive

Live shipping of weanlings and calves was up significantly during 2013. Overall exports for 2013 exceeded 210,000 animals, which was over 30% higher than 2012 and a very similar figure to the 2011 level of exports. There were two principal drivers of the stronger live export trade. Domestic calf prices became a lot more competitive and the resumption of live exports to Libya (which accounted for almost 15,000 cattle and 21,000 sheep).

Calf exports to Belgium increased by 146%, followed by 114% for the Netherlands. Exports to France reached almost 7,000 head, Spain increased by 140% (mainly consisting of calves) and weanling exports to Italy fell by 32%. Exports to Northern Ireland were 13% lower than in 2012.

Future exports to Northern Ireland are under serious threat if the meat plants in Northern Ireland persist with their policy of heavy financial penalties for cattle born in the Republic. ICOS believes that the basis used for penalising Irish born stock is anti-competitive and in contravention of free trade principles within the EU. This uncompetitive practice is a major problem for marts all along the west of Ireland as Northern farmers have traditionally bought their cattle in these ICOS marts. Their absence from around the ring deprives the trade of a valuable source of competition.



Martin McNamara and Liam Williams Chairmen Clare Marts



The receivership TLT International provided the impetus for a changed approach to mart credit policy.

The sheep numbers evened out during 2013 stabilising in most marts and a small number of marts indicated a modest increase in numbers. Sheep prices were very disappointing for all marts during 2013 and the hope of resurgence in sheep numbers across the country has

been stalled as a result of the poor producer returns in 2012 and 2013. Sheep output was up by 5% during 2013 but 2014 could see no increase at best and a decline in numbers at worst. Live sheep exports remained brisk throughout the year with exports doubling to reach an estimated 80,000 head.

Many co-operative marts were negatively affected by the receivership of TLT International Ltd. as the estimated losses to the marts sector was approximately €3 million. This financial collapse of the largest exporter to Italy from Ireland has been challenging for a number of co-op marts. It has also provided the impetus for a changed approach to mart credit for all customers on the part of many marts.

ICOS marts sent 34 delegates to the 2013 AGM and General Assembly of the European Association of Livestock Marts in Moulin Engilbert, France. Livestock mart representatives from Holland, Belgium, Spain, France, Scotland, England, Wales and Northern Ireland all attended. A key topic of the conference was the potential impact of the new CAP agreement on cattle and sheep numbers and all countries were concerned at a possible negative effect on livestock numbers if the CAP budget and distribution methods were radically changed.

Member Development

ICOS continues to attach a high importance to providing advice and assistance to individual directors, boards, committees and general meetings of new and existing affiliate societies. Individual directors, boards and sub-committees are provided with confidential and professional advice in respect of a wide array of policy issues. The policy issues can range from rule and governance related issues to strategic and structural issues affecting the short and medium term growth trajectory of individual co-operatives and groups of co-operatives in different business sectors.

In 2013 much of the analysis and research engaged in by ICOS in 2012 on such issues as; milk supply agreements, co-operative financing options for expansion, co-operative members using partnership and company structures to farm, came to fruition. A considerable number of dairy co-operatives introduced formal milk supply agreements, 'sharing up' policies and rule amendments to provide for the trade of members being conducted through partnerships and companies.

A feature of 2013 was what appeared to be a growing trend of

using ICOS member development services in respect of dealing with disputes through arbitration. This trend may well continue into 2014 as members and co-operatives come to terms with the new business landscape in the emerging post quota era. What is emerging is a need on the part of farmer members and on the part of societies to have a clearer understanding as to what their mutual obligations and responsibilities are. Inevitably, there were communication challenges in 2013 as each side of the co-operative partnership tried to come to terms with a new business era which demands greater clarity and



Michael Spellman (Roscommon Marts), James Roche (Castleisland Co-op Mart) and James O'Donnell (NCFRS Ltd) at the ICOS 2013 AGM

certainty as to the benefits and obligations that accrue from being a member of a co-operative. It is worth noting that the message has not changed; for a co-operative to benefit each member, each individual member must be prepared to use the co-operatives services, finance their fair share of the co-operatives operations, and participate at some level in the control and running of their co-operative.

CORK OFFICE

Sean Myers and the Cork office continues to provide services relating to the establishment of new co-ops and amendments and general updating of Rules. Assistance was provided to a number of member co-ops during the year with Rule amendments including a Complete Amendment for Drinagh Co-op partial amendments for Centenary Thurles Co-op, Lisavaird Co-op and others. Furthermore assistance was given in the compilation of Milk Supply Agreements and associated Share Standards for a number of dairy co-ops also.



Sean Myers, Co-operative Development Manager, ICOS Cork office

ICOS NATIONAL CONFERENCE 2013

On November 25th 2013, ICOS held its 37th National Conference in Portlaoise on the theme of Risk Management and Market Volatility for Co-operative Businesses. Key note speeches were delivered from top Irish and International speakers on these issues of major economic importance including Agriculture Minister Simon Coveney T.D., Chief Executive of The Agricultural Trust,

Matt Dempsey, the Chairman of global dairy giant Arla Foods, Ake Hantoft, Enterprise Ireland CEO Julie Sinnamon, UCD Public Health Professor Pat Wall and Food Harvest 2020 Chairman Dr. Seán Brady.

With an attendance of over 200 from ICOS member co-ops and other organisations in the industry, the conference addressed key challenges, risks and opportunities facing the co-operative dairy and livestock sectors as global food demand continues to grow, market volatility remains in prospect and EU milk quotas will be abolished in little over a year from now.

It was clear from the record attendance at this annual conference that as dairy co-operatives face into the post quota era, the livestock marts come to terms with their vulnerability to credit exposure and the impact dairy expansion will have on the quality and numbers of stock being sold in marts, that directors and executives are anxious to improve their understanding of how best risk can be managed in co-operative businesses.

ICOS Rural Business Committee

- **Conor Mulvihill**

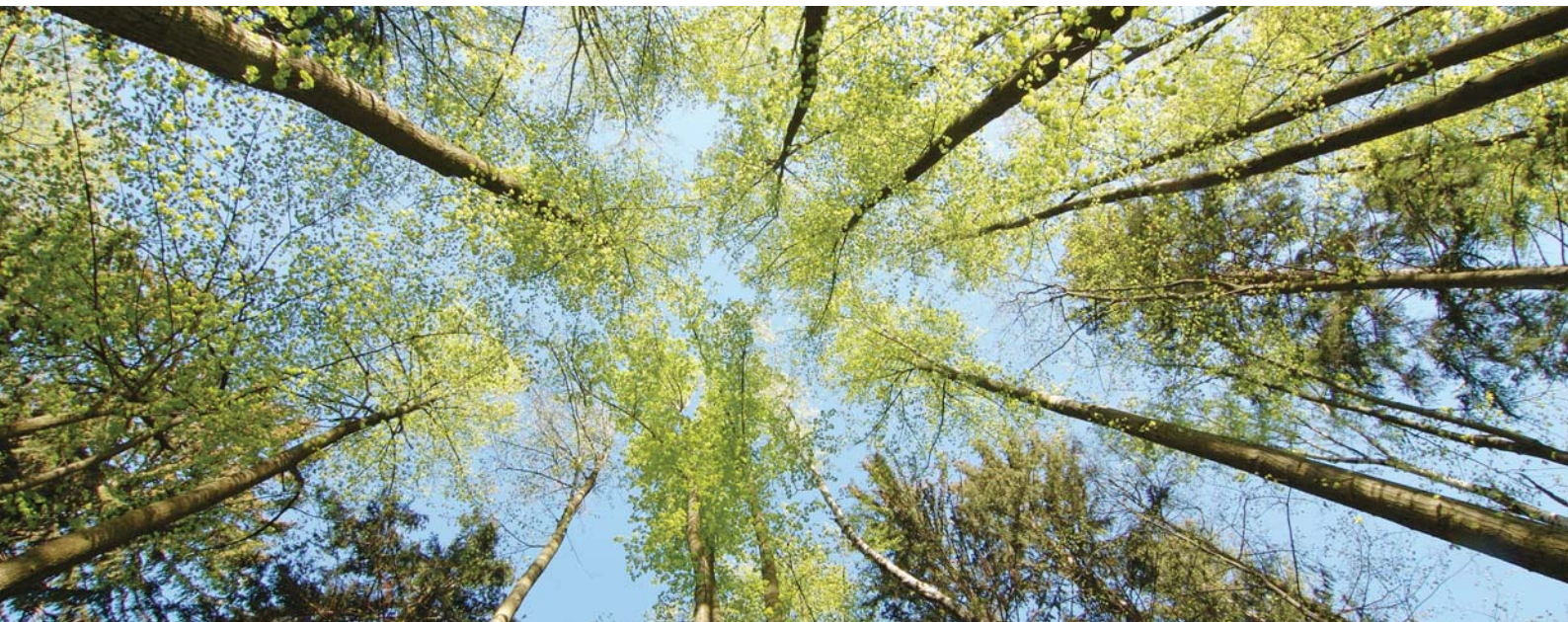
The ICOS Rural Business Committee held quarterly meetings during the year to get through a heavy workload.

The Committee's remit is to identify and support co-operative business opportunities in the rural economy rural co-operative business across Ireland

2013 saw the Committee focus on the many opportunities and challenges that are facing the modern Irish co-operative sector. These include:

- Dealing with Brussels and the Department of Agriculture to promote and fund the co-operative business model in the 2014-2020 Rural Development Programme.
- Developed a policy position for ICOS on the growing use by farmers of partnerships and company structures in their businesses.
- Engagement and submissions with the Commission for the Economic Development of Rural Areas (CEDRA) to highlight the strengths and potential of the co-operative business model.
- Developing a promotion, branding and co-operative identity strategy for our businesses.
- Began work with the Department of Finance on taxation of co-ops.
- Engaged with review of Irish co-operative law with the Department of Enterprise and DG Industry in Europe.
- Brought in industry and civil society experts to work with the Committee.
- Representation of Irish co-ops at conferences in Ireland and Brussels.
- Contributing to the ICOS co-op director training initiatives.

The work of the Committee has this year been augmented by Siobhán Mehigan who was appointed as the new ICOS Co-operative Development Executive.



Irish Foundation for Co-operative Development



IFCD has a long history of co-operative development in Kenya, Tanzania and Uganda. After a period in which the Foundation focused on grant aiding projects indirectly from Ireland rather than having our personnel in the field, the Foundation Board has once again appointed a Development Manager (Tom Millane) with a view to expanding our co-operative development work in Africa. Kenya has been chosen as the country to initially expand the Foundations activities.

IFCD have been working with mango farmers in the Meru region of Kenya. Mango is one of the most popular fruits in the world and in Kenya it ranks third in level of importance after bananas and pineapples. Kenya produces about 3.6 million tonnes of mangoes annually. However, only 1% reaches the lucrative export market due to a myriad of agronomical and marketing challenges. Moreover, the main local fresh market cannot absorb all the mangoes produced during the harvesting season leading to high wastage and low prices year after year during the harvest period.

IFCD, alongside the local Meru Fruit Growers Association are examining

ways to redress the problem of oversupply and the poor prices that the farmer receives.

At the same time, IFCD have also been working with small to medium sized emerging Kenyan co-operatives in the area of value addition. There are currently four projects that have impressed the IFCD Board and that have been approved for financial and developmental assistance by IFCD.

- Honey production, processing, bottling, and marketing in the Marigat region. This is a very dry acacia scrub arid area where living is very difficult and rainfall is often insufficient to maintain sustainable agriculture. The co-operative is excited to be working with IFCD in a primary bottling and marketing initiative.
- The IFCD were impressed with a proposal from Wakarimu co-operative and have agreed to fund the proposed water bottling project by the Cooperative and provide certain technical assistance to the project. They are about 1,500 poor farmers that are working to improve the community they live in. The income generated is to be used to fund community projects including schools; HIV/AIDS support programmes and community health initiatives.

- The Board has agreed to fund a small saving and credit co-operative in a rural part of Nakuru which is currently being looked at as a pilot project.
- IFCD are also funding a tourism project in Londiani that will compliment some of the existing developments in the area. This is a joint venture with Friends of Londiani who are based in Midleton. Co. Cork. The tourism project will be similar to rural tourism projects in Ireland except that the product will be community owned. The Board of IFCD see the project as an alternative income for the members who are local small farmers.

One of the reasons for IFCD's continued success in the field is that the IFCD Board have continued to maintain strong links with ICOS, Irish humanitarian aid organisations and Irish missionaries.



Board of IFCD: Sinead Farrell, Jim Russell, Seumas O'Brien, Tom Millane, Pdraig Young and Seamus O'Donohoe

Plunkett Award for Co-operative Endeavour

The lifelong personal contribution to the business of co-operation by Jim Maher was recognised by ICOS in 2013 with the Plunkett Award for Co-operative Endeavour. Jim Maher is the former Chairman of Centenary Thurles Co-operative, Board Member of Mid-Tipperary Co-operative Society Ltd and he is the founder of the highly successful Cooleeney Cheese business.

A dairy farmer, Jim Maher served as a Committee Member of Centenary Thurles Co-operative for over 30 years since first being elected at its antecedent Centenary Co-operative in 1980. In 1991, he was elected to the Board of Mid-Tipperary Co-operative Livestock Society. He has served both co-operatives with distinction throughout his long career.

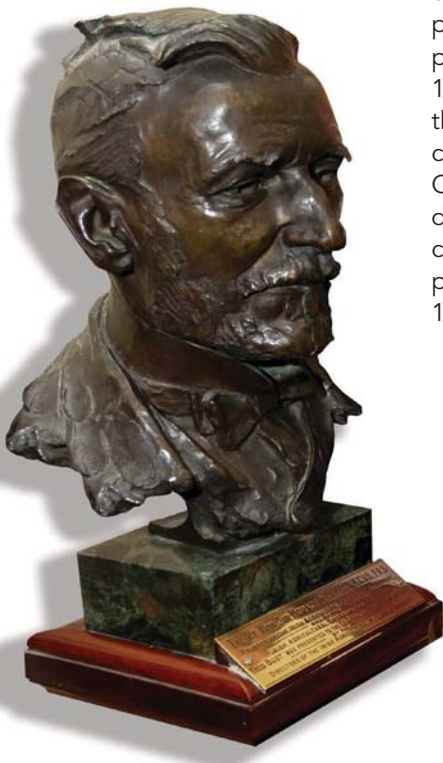


Jim Maher receiving the Plunkett Award from ICOS President Bertie O'Leary

In addition to his far sighted contribution to co-operative progress, Mr Maher is also a highly progressive dairy farmer and in 1986, together with his wife Breda, they started their own farmhouse cheese business Cooleeney Cheese. They built a specialist dairy business which today exports cheeses to over 15 countries, provides full time employment to 12 people and buys high quality

milk sourced from locally producing farmers.

In the testimonials from both co-operatives, Centenary Thurles and Mid Tipperary, Mr Maher's exceptional voluntary contribution to the co-operative movement was highlighted and acknowledged, particularly for the positive long term economic impact it has had for the area.



Co-operative Sector Activity

REGISTRATION OF NEW SOCIETIES & RULE AMENDMENTS

Eighteen new societies were registered in 2013. Ten of these societies were group water schemes, one was a forestry marketing co-operative, one a breed society, one was a local community shop and restaurant, and one was involved in the provision of services to Credit Unions. Nine societies had their rules completely amended by ICOS, and twelve societies were assisted in partially amending their rules.

STATISTICAL SUMMARY

The summary table for the Irish co-operative sector in 2012 shows a sectoral turnover of €14.1 billion. This compares with a turnover of €13.2 billion in 2011. Total sales for the Dairy sector have increased from €12.7 billion in 2011, to €13.5 billion in 2012. Mart turnover in the period under review went from a figure of €184 million in 2011, to a figure of €217 million in 2012.

ASSOCIATED ICOS FUNCTIONS AND ENTITIES

The ATC Group

The purchasing group comprising 19 co-ops with total purchases of in excess of €28m through our 19 member co-ops had again a successful year and accomplished its objective of enhancing the buying power of its members.

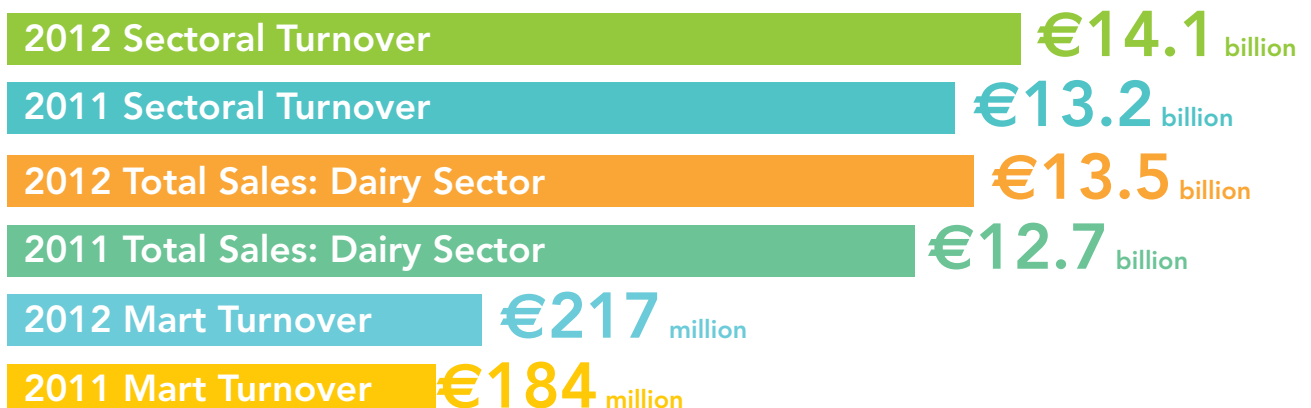
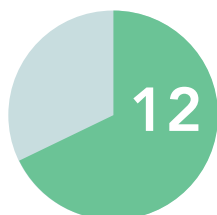
Our "Co-op Source" branded product groupings expanded again in 2012 to now having a compliment of seven product groupings under our brand these being:

- Crop packaging
- Animal mineral supplements
- Dairy Detergents
- Clothing
- Grass Seeds
- Milking Machine filter socks
- Cow teat foam sanitizer



Our membership extends throughout the country with Inishowen Co-op in north Donegal to Drinagh Co-op in the south west. The Group headquarters is at the ICOS office in Cork with Sean Myers as Secretary.

Our plans for the coming year are to continue to further enhance the groups buying power, to improve margins for our member co-ops to place greater emphasis on the promotion of our Co-op Source branded product range and to seek to have new co-ops join the Group.



ICOS Skillnet

The ICOS Skillnet has had yet another hugely successful year. In addition to being a Quality and Qualifications Ireland (QQI) Centre, the ICOS Skillnet was also successful in becoming a quality assured centre for the Institute of Leadership & Management (ILM), which is the corporate division of City & Guilds.

The programmes now accredited through the ILM are our:

- Dairy Co-operative Director Training Programme
- Agri Co-operative Leadership Programme
- Livestock Management – Mart Director Training Programme
- Mart Management & Livestock Auctioneering

A composite view of a variety of the Business Impact Measures were evaluated with each of the individual network member companies. These measures were chosen in an attempt to identify whether additional business impacts (beyond the actual training benefit to the learner) could be directly attributable to membership of the network.

ICOS Skillnet has continued to perform very well during 2013 making very good progress towards the overall stated objectives of the network.

All principle **Key Performance Indicators** have been met during what is Year 2 of a two year funding period. The strong level of progress evident in the second half of 2012 has been maintained and consolidated into 2013. Notably, good outcomes have been achieved for



ICOS/UCC class of Diploma in Corporate Direction

the following key indicators:

- No. of training days both employed and unemployed
- No. of trainees both employed and unemployed
- Total number of individual activities engaged in
- Total number of training events provided
- The extent of matching funding provided

The **Impact Measurement Study** undertaken across the Network membership indicates that a very significant range of benefits are accruing to individual businesses. These benefits represent the real business impacts that participation in a training network can deliver.

Some Key Performance Indicators: Year to Date - 31st December 2013

	Target	Actual	Percentage Achieved
Member Companies	51	46	90%
Employed Trainees	580	1,033	173%
Unemployed Trainees	65	65	100%
Employed Training Days	1,946	3,403	175%
Unemployed Training Days	199	229	115%
Total Trainees	645	1,098	170%
Total Training Days	2,145	3,632	169%

Pensions

ICOS Ltd. is the registered formal administrator for two group industry-wide pension schemes – the Irish Co-operative Societies’ Pension Scheme and the Dairy Executives’ Pension Fund, covering 35 contributing co-operatives. Highlights from the most recent year-ends statistics of the schemes are:

- Aggregate membership of the two schemes comprises 801 current employees in membership, 1,256 former employees, and 1,184 pensioners in receipt of monthly pensions.
- Contributions paid in by employees was €1.44 million.
- Co-operative employer contributions came to €2.8 million.
- Assets under professional management amounted to €142 million (invested in global equities, international government and corporate bonds, and commercial property).
- Annual pension payroll for co-op retirees (and spouses/dependants of deceased co-op employees) came to €4.76 million.
- Lump sums paid to new pensioners and dependants of deceased members totalled €1.36 million.

ICOS pension personnel are Gerry Armstrong, who primarily handles the running of the active membership and trustee responsibilities of the schemes, and Brian O’Dowd, whose duties include payment of the monthly pension payrolls, and administrative functions in the governance/financial control areas.

Dedicated in-house computer systems are utilised in the management of the numerous tasks that arise, ranging from basic member enquiries to full trustee annual reports incorporating audited financial statements & accounts and statutory disclosures. Other executive support in the operation of the schemes is derived from managerial, financial and secretarial resources within ICOS.

In a typical year the ICOS Pensions Department handles in excess of 2,000 phone calls, administers about 100 new retirement/deaths, and answers enquiries from several hundred former members, in addition to providing contribution and year-end reports for participating co-ops. It also manages the other professional inputs into the schemes from actuaries, investment firms, insurers, legal advisors and audit services.

Similar to the vast majority of defined benefit schemes in Ireland, the ICOS administered pension schemes are currently in deficit. Participating Co-operatives, unions, trustees and ICOS are all working together towards reaching a long-term solution for the financial stability of these schemes in the interests of members and co-ops, both groups being beneficiaries.

In a typical year, ICOS Pensions Department handles in excess of **2,000** phone calls

€142 million

Invested in global equities, international government and corporate bonds, and commercial property

BOARD, EXPERT COMMITTEES AND REPRESENTATION on other bodies

ICOS Board Membership in 2013 consisted of the following members:

Mr. Patrick McLoughlin	Arrabawn Co-operative Society Ltd
Mr. Padraig Gibbons	Aurivo Co-operative Society Ltd
Mr. John O'Brien	Barryroe Co-operative Ltd
Mr. Jim Russell	Centenary Thurles Co-operative Society Ltd
Mr. Liam Williams	Clare Marts Ltd
Mr. Bertie O'Leary (President of ICOS)	Dairygold Co-operative Society Ltd
Mr. Jerry Long	Drombane Co-operative Society Ltd
Mr. Martin Keane (Vice- President of ICOS)	Glanbia Co-operative Society Ltd
Mr. Seumas O'Brien	Irish Farm Accounts Co-operative Society Ltd
Mr Michael O'Connor (Replaced Michael Teahon January 2014)	Kerry Co-operative Creameries Ltd
Mr. Padraig Young	Lakeland Dairies Co-operative Society Ltd
Mr. Michael Spellman	Roscommon Co-operative Livestock Mart Ltd
Mr. Matt Quinlan	Tipperary Co-operative Creamery Ltd

The fifteen members of the ICOS Dairy Expert Committee and the twelve members of the ICOS Mart Expert Committee are either directly appointed or elected from an electoral grouping by member co-operatives. Of the twelve members on the ICOS Rural Business Committee, six are directly elected from societies other than dairy and livestock marts and three members each are appointed from the ICOS Dairy and Marts Committees respectively. The following is the composition of each of the Expert Committees for 2013/2014 after the completion of the annual election cycle in May 2013 and subsequent replacement of a number of committee members where casual vacancies arose.

CHAIRMEN OF ICOS COMMITTEES

DAIRY - Martin Keane, Glanbia Co-operative Society

MARTS – Michael Spellman, Roscommon Co-operative Livestock Mart Ltd

RURAL – Seumas O'Brien, IFAC

DAIRY COMMITTEE

Mr. Patrick McLoughlin	Arrabawn Co-operative Society Ltd
Mr. Robert Shannon	Lisavaid Co-operative Creamery Ltd
Mr. Derry Connolly (Replaced Michael John O'Donovan)	Drinagh Co-operative Ltd
Mr. Danny Collins	Boherbue Co-operative Ltd
Mr. Jim Russell	Centenary Thurles Co-operative Society Ltd
Mr. Padraig Gibbons	Aurivo Co-operative Society Ltd
Mr. Bertie O'Leary	Dairygold Co-operative Society Ltd
Mr. Martin Keane (Chairman)	Glanbia Co-operative Society Ltd
Mr. Jerry Long	Drombane Co-operative Society Ltd
Mr. John O'Brien	Irish Dairy Board Co-operative Ltd
Mr. Michael O'Connor (Replaced Michael Teahon)	Kerry Co-operative Creameries Ltd
Mr. John Ahern	North Cork Co-operative Creameries Ltd
Mr. Matt Quinlan	Tipperary Co-operative Creamery Ltd
Mr. Bert Stewart	Town of Monaghan Co-operative Ltd
Mr. Padraig Young	Lakeland Dairies Co-operative Society Ltd

MARTS COMMITTEE

Mr Jimmy Roche	Castleisland Co-operative Society Ltd
Mr Ray Dempsey	Central Auctions Services Co-operative Society Ltd
Mr John O'Brien	Central Auctions Services Co-operative Society Ltd
Mr Liam Williams	Clare Marts Ltd
Mr James Gallagher	Aurivo Co-operative Society Ltd
Mr Gus Murphy	Cork Co-operative Mart Ltd
Mr Charlie Doherty	Inishowen Co-operative Society Ltd
Mr John Cott	Kanturk Co-operative Mart Ltd
Mr Michael Parsons	Kilkenny Co-operative Livestock Mart Ltd
Mr Francis Burke	Mid-Tipperary Co-operative Livestock Mart
Mr Michael Spellman (Chairman)	Roscommon Co-operative Livestock Mart Ltd
Mr Gerry Hoade	Tuam Co-operative Livestock Mart Ltd
Mr Liam O'Byrne	Wexford Farmers' Co-operative Society Ltd

RURAL BUSINESS COMMITTEE

Mr Jim Russell	Centenary Thurles Co-operative Society Ltd
Mr Liam Williams	Clare Marts Ltd
Mr Gerry Reilly	Commercial Mushroom Producers Ltd
Mr Seumas O'Brien (Chairman)	Irish Farm Accounts Co-operative Society Ltd (IFAC)
Mr James Kane	Irish Farm Accounts Co-operative Society Ltd (IFAC)
Mr. Pdraig Young	Lakeland Dairies Ltd
Mr James O'Donnell	National Cooperative Farm Relief Services Ltd (NCFRS)
Mr Paddy Ward	National Federation of Group Water Schemes Ltd (NFGWS)
Mr Joe Harte	National Federation of Group Water Schemes Ltd (NFGWS)
Mr John Ahern	North Cork Co-operative Creameries Ltd
Mr Michael Spellman	Roscommon Co-operative Livestock Mart Ltd

Representation of ICOS on other bodies

The Board of ICOS made the following appointments in 2013:

ICOS Services Ltd.

Mr. Bertie O'Leary, President, ICOS Ltd.
Mr Martin Keane, Vice President, ICOS Ltd.
Mr Seamus O'Donohoe CEO, ICOS Ltd.
Mr TJ Flanagan, Dairy Policy Executive, ICOS Ltd.

Irish Foundation for Co-operative Development Ltd.

Mr Seamus O'Donohoe, CEO, ICOS
Mr Seumas O'Brien, IFAC
Mr Michael Teahon, Kerry Co-operative Creameries
Mr Pdraig Young, Lakeland Dairies Co-operative Society
Mr Jim Russell, Centenary Thurles Co-operative Society

Golden Jubilee Trust Ltd.

Mr Bertie O'Leary, Mr Martin Keane, Mr Michael Spellman, Dr Sean Brady, Dr Noel Cawley & Ms Siobhan Collier

Irish Co-operative Society Pensions Scheme

Seamus O'Donohoe, ICOS
Bertie O'Leary, ICOS
Padraig Gibbons, ICOS
Michael John O'Donovan, ICOS

Dairy Executives Pension Scheme

Mr Johnny O'Brien, ICOS
Mr Pdraig Young ICOS
Mr Brian O'Dowd, ICOS Staff

Irish Dairy Board

Mr Jim Russell

Teagasc

Mr Pdraig Gibbons

IFAC

Seumas O'Brien

NDC

Mr Pdraig Gibbons

NESC

Mr Seamus O'Donohoe

Dairy Research Trust Board

Mr Pdraig Gibbons
Mr Matt Quinlan
Mr Johnny O'Brien

Milk Quota Appeals Tribunal

Mr TJ Flanagan

Milk Quota Review Group

George Kearns

CSO

Mr Seamus O'Donohoe

Irish Co-operative Organisation Society Limited

Statement of directors' responsibilities

The Board is responsible for preparing 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 Chartered Accountants 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 inappropriate to presume that the Society will continue in business.

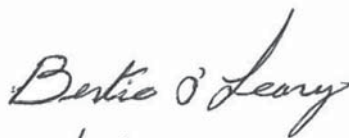
The Board confirms that it has complied with the above requirements in preparing the financial statements.

The Board 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: Bertie O'Leary



Vice President: Martin Keane



Secretary: Seamus O'Donohoe

For and on behalf of Co-operative Consultancy Services (CCS) Limited





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

We have audited the financial statements of the Irish Co-Operative Organisation Society Limited for the year ended 31 December 2013 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Society's members, as a body, in accordance with Section 13 of the Industrial and Provident Societies Act, 1893. Our work has been undertaken so that we might state to the Society's members those matters which 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 responsibility to anyone other than the Society and the Society's members as a body for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report to the members of Irish Co-Operative Organisation Society Limited (continued)

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 2013 and of its surplus for the year then ended.

Other matters

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.



Colin O'Brien
for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

19 March 2014

Irish Co-Operative Organisation Society Limited

Income and Expenditure Account year ended 31 December 2013

	2013 €	2012 €
Income		
Societies' contributions received	1,222,588	1,246,226
Other income & management recharges	35,639	15,443
Seminars, training and education	439,740	375,395
Grants & management recharges received from The Golden Jubilee Trust Fund	126,719	121,500
	<u>1,824,686</u>	<u>1,758,564</u>
Expenditure		
Payroll		
Salaries and state insurance	686,669	961,881
Pension cost	94,009	83,700
	<u>780,678</u>	<u>1,045,581</u>
Travel and services		
Travel expenses	172,915	216,375
Public relations, education and training	68,707	29,921
Postage and telecommunications	22,716	28,068
Printing and stationery	11,943	8,960
	<u>276,281</u>	<u>283,324</u>
Overheads		
Rent, rates, light, insurance and household expenses	131,103	70,073
Subscriptions	45,106	43,328
Professional fees	96,262	178,086
Maintenance and repairs	29,181	21,048
Depreciation of fixed assets	10,280	6,970
Restructuring expenses	-	10,924
Miscellaneous expenses	44,006	33,239
	<u>355,938</u>	<u>363,668</u>
Finance costs		
Finance expense – pensions	11,312	10,447
Interest and charges	10,330	11,965
	<u>21,642</u>	<u>22,412</u>
	<u>1,434,539</u>	<u>1,714,985</u>
Surplus for the year before state grant and taxation	<u>390,147</u>	<u>43,579</u>

Irish Co-Operative Organisation Society Limited

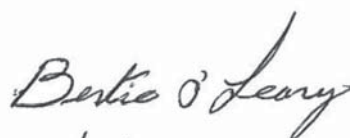
Income and Expenditure Account (continued) year ended 31 December 2013

	Notes	2013 €	2012 €
Surplus for the year before state grant and taxation		390,147	43,579
State grant		12,000	12,000
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		402,147	55,579
Taxation	3	(5)	(9)
		<hr/>	<hr/>
Surplus for the year	11	402,142	55,570
		<hr/> <hr/>	<hr/> <hr/>

All income and expenditure arises solely from continuing operations. No gains or losses were recognised in the current or prior years other than those recognised in the Income and Expenditure Account.

On behalf of the Board:

President: Bertie O'Leary



Vice President: Martin Keane



Secretary: Seamus O'Donohoe
For and on behalf of Co-operative Consultancy Services (CCS) Limited



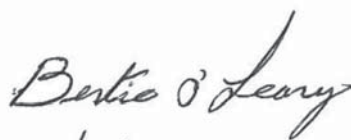
Irish Co-Operative Organisation Society Limited

Balance Sheet as at 31 December 2013

	Notes	2013 €	2012 €
Fixed assets	4	66,778	62,429
Current assets			
Bank balances and cash		949,781	529,229
Debtors and prepayments	5	173,427	131,687
		1,123,208	660,916
Creditors due within one year			
Creditors and accruals	6	(1,790,774)	(1,584,080)
Net current liabilities		(667,566)	(923,164)
Creditors due after one year			
Bank term loan	7	(118,008)	(260,203)
Loan from the Golden Jubilee Trust Fund	8	(200,000)	(200,000)
Net liabilities		(918,796)	(1,320,938)
Capital employed			
Share capital	10	134	134
General revenue account deficit	11	(966,430)	(1,368,572)
Revaluation reserve	12	47,500	47,500
Shareholders' deficit	13	(918,796)	(1,320,938)

On behalf of the Board:

President: Bertie O'Leary



Vice President: Martin Keane



Secretary: Seamus O'Donohoe
For and on behalf of Co-operative Consultancy Services (CCS) Limited



Irish Co-Operative Organisation Society Limited

Notes forming part of the financial statements

1 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Standards in Ireland and Irish statute comprising the Industrial Provident Societies Acts, 1893 to 1978 under the historical cost convention, as modified by the revaluation of artwork as set out below. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by Chartered Accountants Ireland and issued by the Accounting Standards Board.

The financial statements have been prepared on a going concern basis which assumes the Society will have sufficient funding and cash resources to continue its operation, without material curtailment, for the foreseeable future.

The Society appreciates the ongoing financial support of the Golden Jubilee Trust ("the Trust"). The Society has received a number of loans from the trust on an interest free basis which carry no fixed repayment terms. Since the balance sheet date, the Board of Trustees of the Trust has confirmed in writing that the Golden Jubilee Trust will forgive a portion of these loans up to €490,000 and will not seek repayment of the remaining amounts payable by the Society as at 31 December 2013 for a period of at least 18 months from the date of approval of these financial statements. The forgiveness of loans has not been reflected in these financial statements. In addition, the Board of Trustees of the Trust has confirmed that the Trustees will provide further funding to the Society over the next 18 months in support of its activities, including in particular those activities which promote the development of the Co-operative movement in Ireland, subject to appropriate applications being made to the Trust to support specific activities.

The Board has prepared and approved financial and cash flow projections for the Society for the period up to 31 December 2017, based on assumptions in relation to future income and costs which they consider appropriate in light of their plans and expectations.

The Board recognises that significant assumptions about the future are inherent in their projections. The Board has discussed the assumptions and basis of preparation supporting the Society's projections and considered the financial resources available. On that basis, the Board believes that the Society will generate sufficient cash so as to allow the Society to continue in operational existence for the foreseeable future.

Accordingly, the Board considers it appropriate to prepare the financial statements on a going concern basis.

2 Accounting policies

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

Societies' contributions

Contributions from societies are taken into 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.

Irish Co-Operative Organisation Society Limited

Notes *continued*

2 Accounting policies (*continued*)

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, except for artwork which is carried at revalued amount 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. 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
Artwork	-

A formal valuation was undertaken on certain artwork assets during the year ended 31 December 2011 by independent professional valuers as set out in note 4. Revaluation gains are recognised in the statement of total recognised gains and losses except to the extent that they reverse revaluation losses that were previously charged to the income and expenditure account when they are charged to the income and expenditure account. Revaluation losses which represent a clear consumption of economic benefit inherent in the asset are recognised in the income and expenditure account.

Retirement benefits

Gains and losses arising on settlement and curtailment are recognised immediately in the income and expenditure account at the date on which all parties whose consent is required are irrevocably committed to the transaction.

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

Taxation

Current tax is provided on the Society's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

Irish Co-Operative Organisation Society Limited

Notes *continued*

2 Accounting policies *(continued)*

Taxation *(continued)*

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

3 Taxation	2013 €	2012 €
Irish corporation tax charge on surplus for the year	5	9
Prior years	-	-
	<hr/>	<hr/>
Current tax charge for the year	5	9
	<hr/> <hr/>	<hr/> <hr/>

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:

Surplus on ordinary activities before taxation	402,147	55,579
	<hr/>	<hr/>
Surplus for year multiplied by the average rate of Irish corporation tax for the year of 12½%	50,268	6,947
<i>Effect of:</i>		
Pension contribution less than/(in excess of) pension cost charge	2,764	3,382
Expenses not deductible for tax purposes	68	968
Capital allowances in excess of depreciation	(55)	(581)
Tax on higher rates	3	4
Non-taxable grant income	(1,500)	(1,500)
Losses forward utilised	(51,543)	(9,211)
	<hr/>	<hr/>
Current tax for the year	5	9
	<hr/> <hr/>	<hr/> <hr/>

Irish Co-Operative Organisation Society Limited

Notes *continued*

4 Fixed assets

	Furniture, fittings & equipment €	Computer equipment €	Art work €	Total €
Cost/valuation				
At 31 December 2012	36,682	64,288	47,500	148,470
Additions	854	13,775	-	14,629
	<u>37,536</u>	<u>78,063</u>	<u>47,500</u>	<u>163,099</u>
Accumulated depreciation				
At 31 December 2012	25,388	60,653	-	86,041
Charge for year	3,361	6,919	-	10,280
	<u>28,749</u>	<u>67,572</u>	<u>-</u>	<u>96,321</u>
Net book amounts				
At 31 December 2013	<u>8,787</u>	<u>10,491</u>	<u>47,500</u>	<u>66,778</u>
At 31 December 2012	<u>11,294</u>	<u>3,635</u>	<u>47,500</u>	<u>62,429</u>

In 2011, an exercise was undertaken to revalue certain paintings and other artwork held by the Society to which no value had previously been attributed in the financial statements. A revaluation adjustment was reflected to recognise the valuation estimate of €47,500 which was determined by professional valuers, the Oriel Gallery.

5 Debtors and prepayments

	2013 €	2012 €
Trade debtors	8,019	16,191
Prepayments and other debtors	46,731	45,522
VAT	-	6,554
Corporation tax recoverable	170	67
Other debtors	-	394
<i>Amounts due from related parties:</i>		
ICOS Skillnet project	15,362	37,420
Golden Jubilee Trust Fund	-	25,539
Irish Co-operative Societies Pension Scheme	73,710	-
Dairy Executives Pension Scheme	17,135	-
I.F.C.D.	12,300	-
	<u>173,427</u>	<u>131,687</u>

Irish Co-Operative Organisation Society Limited

Notes *continued*

6 Creditors: amounts falling due within one year	2013	2012
	€	€
Creditors and accruals	521,851	406,394
Deferred income	26,800	-
Bank loan (note 7)	142,167	151,370
PAYE and PRSI	21,882	32,886
VAT	24,196	-
<i>Amounts due to related parties:</i>		
ICOS Services Co-Operative Society Limited	251,095	195,571
Golden Jubilee Trust Fund	802,783	797,860
	<hr/>	<hr/>
	1,790,774	1,584,080
	<hr/> <hr/>	<hr/> <hr/>

7 Bank loans

The Society's Bank loan is repayable as follows:

	Total	< 1 year	2-5 years
	€	€	€
Payable within one year	142,167	142,167	-
Payable after more than one year	118,008	-	118,008
	<hr/>	<hr/>	<hr/>
	260,175	142,167	118,008
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The loan is repayable by monthly instalments and currently re-prices on a quarterly basis. The bank loan is secured by assignment of a Deposit Account of the Society for €500,000.

8 Loan from the Golden Jubilee Trust Fund

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

Further disclosures regarding the repayment of these amounts are set out in the basis of preparation note.

Irish Co-Operative Organisation Society Limited

Notes *continued*

9 Retirement benefits

The Society's contributions to PRSAs are charged to the Income and Expenditure Accounts as incurred and amounted to €94,009 (2012: €83,700) in the year.

10 Share capital	Number	€
At 31 December 2013	134	134

During the year, there were no new affiliations and no disaffiliations.

11 General revenue account deficit	2013	2012
	€	€
Deficit at the beginning of the year	(1,368,572)	(1,424,142)
Surplus for the year	402,142	55,570
	<hr/>	<hr/>
Deficit at end of the year	(966,430)	(1,368,572)

12 Revaluation reserve	2013	2012
	€	€
Opening balance	47,500	47,500
Arising on artwork in the year (note 4)	-	-
	<hr/>	<hr/>
Closing balance	47,500	47,500

Irish Co-Operative Organisation Society Limited

Notes *continued*

13 Reconciliation of movements in shareholders' deficit	2013	2012
	€	€
Shareholders' deficit at beginning of the year	(1,320,938)	(1,376,508)
Total recognised gains and losses for the year	402,142	55,570
	<hr/>	<hr/>
	(918,796)	(1,320,938)
	<hr/> <hr/>	<hr/> <hr/>

14 Related parties

The Society, ICOS Services Co-Operative Society Limited, Golden Jubilee Trust Fund, Irish Foundation for Co-Operative 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 owed to ICOS at 31 December 2013 were as follows: ICOS Skillnet project €15,562, Irish Co-Operative Society Pension Scheme €73,710, Dairy Executives Pension Scheme €17,135, I.F.C.D. €12,300. Amounts owed by ICOS at 31 December 2013 are ICOS Services Co-Operative Society Limited €251,095 and the Golden Jubilee Trust Fund €1,002,783.

15 Approval of financial statements

The Board approved the financial statements on the 19 March 2014.

CO-OPERATIVE STATISTICS: DAIRY CO-OPERATIVE STATISTICS

Dairy Co-operative Societies 2012		Balance sheet €'000												
Society	Members	Trading performance €'000			Net profit / (loss) before tax	Net profit / (loss) as a % sales	Assets employed		Financed by			Debt / equity ratio		
		Employees (inc part / time)	Total sales	EBITDA			Tangible fixed assets	Total assets less current liabilities	Shareholders / Members Funds	Bank overdraft / loans & finance leases	Other			
1	Arrabawn	5,657	185,220	4,703	424	0.23%	28,540	41,835	35,331	13,975	-7,471	39.55%		
2	Aurivo	16,203	407,148	7,829	-171	-0.04%	37,565	63,657	34,096	19,975	9,586	58.58%		
3	Bandon	680	97,865	5,703	4,402	4.50%	9,571	60,263	57,762	3,151	-650	5.46%		
4	Barryroe	645	109,255	7,459	5,499	5.03%	34,711	78,214	66,168	11,744	302	17.75%		
5	Boherbue	164	17,250	303	112	0.65%	3,028	7,398	7,398	0	0	0.00%		
6	Callan	175	14,443	626	359	2.49%	1,834	6,038	5,869	0	169	0.00%		
7	Centenary Thurles	1,257	74,826	2,227	748	1.00%	14,414	35,242	30,330	0	4,912	0.00%		
8	Dairy Gold	8,994	731,233	39,032	16,850	2.30%	172,199	310,358	251,266	39,656	19,436	15.78%		
9	Doapey	90	2,649	-5	-11	-0.42%	29	1,074	1,074	0	0	0.00%		
10	Drinagh	2,440	96,976	7,503	5,470	5.64%	21,784	90,848	82,017	8,563	268	10.44%		
11	Drombane	181	6,543	135	109	1.67%	134	2,100	2,100	0	0	0.00%		
12	Fealesbridge	241	7,511	-163	-179	-2.38%	393	2,900	2,900	0	0	0.00%		
13	Glanbia	17,837	2,906,577	214,000	163,734	5.63%	440,574	1,525,386	631,897	392,227	501,262	62.07%		
14	Irish Dairy Board	40	2,028,167	42,131	12,241	0.60%	122,930	448,904	405,223	-10,729	54,410	-2.65%		
15	Kerry Group	13,000	5,848,300	512,100	324,100	5.54%	1,205,600	2,017,200	2,017,200	1,284,700	-1,284,700	63.69%		
16	Lakeland Dairies	4,658	472,940	19,574	7,963	1.68%	52,223	109,040	78,366	31,132	-458	39.73%		
17	Lee Strand	271	22,564	872	-399	-1.77%	22,229	15,662	14,742	22,488	-21,568	152.54%		
18	Lisavaid	1,039	59,223	4,838	3,489	5.89%	10,983	58,854	55,186	3,926	-258	7.11%		
19	Maudabawn	190	7,877	32	1	0.01%	232	1,266	1,266	0	0	0.00%		
20	Mullinahone	52	25,058	1,007	434	1.73%	3,297	6,510	6,081	0	429	0.00%		
21	Newtownsandes	200	11,364	89	-21	-0.18%	105	4,065	4,065	0	0	0.00%		
22	North Cork	550	49,738	-399	-1,262	-2.54%	7,177	11,988	10,340	0	1,648	0.00%		
23	Tipperary Co-operative Creamery Ltd	1,838	138,803	3,850	1,275	0.92%	19,729	32,290	25,274	13,127	-6,111	51.94%		
24	Town of Monaghan	515	183,974	-1,166	-3,141	-1.71%	4,796	36,139	34,805	0	1,334	0.00%		
25	Wexford Milk Producers	364	66,521	6,003	4,769	7.17%	8,662	23,171	13,369	6,493	3,309	48.57%		
	Total	77,281	13,572,025	878,283	546,795	4.03%	2,222,739	4,990,402	3,874,125	1,840,428	-724,151	47.51%		

Not applicable

N/A Not Available

EBITDA Earnings before interest, tax, depreciation & amortisation

CO-OPERATIVE STATISTICS: MART CO-OPERATIVE STATISTICS

Mart Co-operative Societies 2011		Balance sheet €'000											
Society	Members	Employees (inc part / time)	Trading performance €'000			Net profit / (loss) as a % sales	Assets employed			Financed by			Debt / equity ratio
			Total sales	EBITDA	Net profit / (loss) before tax		Tangible assets	Total assets less current liabilities	Shareholders / Members Funds	Bank overdraft / loans & finance leases	Other		
1	Athenry	1,200	21	828	254	195	23.55%	1,169	3,663	3,628	0	35	0.00%
2	Ballyjamesduff	455	53	30,685	125	57	0.19%	840	3,455	3,446	-1,407	1,416	-40.83%
3	Castleisland	311	19	32,880	142	86	0.26%	941	3,156	2,934	-614	836	-20.93%
4	Castlerea	716	38	31,506	186	125	0.40%	1,036	1,993	1,993	0	0	0.00%
5	Central Auctions	1,489	30	1,388	451	254	18.30%	1,527	4,703	4,523	0	180	0.00%
6	Clare Marts	2,435	41	1,800	390	244	13.56%	2,576	7,347	6,866	0	481	0.00%
8	Corcaghan	290	46	2,970	173	96	3.23%	0.02%	1,604	2,486	-300	-582	3.368
7	Cork Marts	10,229	96	9,185	1,949	1,144	12.46%	34,364	30,026	14,788	18,110	-2,872	122.46%
8	East Donegal	283	21	22,178	96	54	0.24%	489	1,225	1,223	2	0	0.16%
9	Dingle Mart	390	15	219	-151	-206	-94.06%	549	768	-84	852	0	-1014.29%
10	Iveragh	585	21	204	33	10	4.90%	376	417	232	17	168	7.33%
11	Kanturk	173	19	402	75	42	10.45%	1,653	398	1,952	14	-1,568	0.72%
12	Kenmare	380	17	385	98	82	21.30%	504	768	763	651	-646	85.32%
13	Kilkenny	727	30	1,704	572	-468	-27.46%	20,311	11,315	8,867	9,121	-6,673	102.86%
14	Kingdom	727	10	410	149	68	16.59%	1,108	2,398	1,210	1,312	-124	108.43%
15	Leinster Co-op Marts	1,020	13	460	35	-7	-1.52%	2,230	1,804	1,804	554	-554	30.71%
16	Mayo Sligo	811	28	692	-169	-230	-33.24%	774	3,802	3,802	2,540	-2,540	66.81%
17	Mid Kerry	0	10	297	46	21	7.07%	497	704	704	112	-112	15.91%
18	Mid Tipperary	700	26	695	136	50	7.19%	825	1,671	1,671	0	0	0.00%
19	Roscommon	513	28	747	103	89	11.91%	2,748	3,282	2,357	532	393	22.57%
20	Templemore **	N/A	N/A	7,662	15	4	0.05%	219	574	574	0	0	0.00%
21	Tuam **	1,300	15	3,647	320	271	7.43%	955	1,606	1,582	0	24	0.00%
22	Waterford / Ross **	1,155	17	298	44	24	8.05%	736	620	475	606	-461	127.58%
23	Wexford Farmers	2,500	104	65,896	910	-289	-0.44%	23,224	32,987	27,392	11,235	-5,640	41.02%
	Total	28,389	718	217,138	5,982	1,716	0.79%	99,651	120,286	95,188	43,337	-18,239	45.53%

Not Listed

Ballinasloe Co-op Mart

Elphin Co-op Livestock Mart

**

Prior year figure

Not Available

N/A

Earnings before interest, tax, depreciation & amortisation

EBITDA

CO-OPERATIVE STATISTICS: OTHER CO-OPERATIVE STATISTICS

Other Co-operative Societies 2012										Balance sheet €'000				
Society	Members	Employees (Inc part / time)	Trading performance €'000			Assets employed			Financed by			Debt / equity ratio		
			Total sales	EBITDA	Net profit (/ (loss) before tax	Net profit (/ (loss) as a % sales	Tangible fixed assets	Total assets less current liabilities	Shareholders / Members Funds	Bank overdraft / loans & finance leases	Other			
CATTLE BREEDING SOCIETIES														
1	SECBS	30,447	37	5,175	385	250	4.83%	6,439	8,408	7,587	772	49	10.18%	
STORE SOCIETIES														
2	Oldcastle	**	12	5,811	154	82	1.41%	1,280	2,043	1,312	662	69	50.46%	
3	Templercrone	**	116	13,340	359	-93	-0.70%	8,716	648	9,676	644	-9,672	6.66%	
4	Inishowen		50	16,009	420	258	1.61%	3,841	9,617	7,765	0	1,852	0.00%	
5	Killasnett		14	3,141	81	4	0.13%	679	1,687	1,647	0	40	0.00%	
6	Oldcastle Co-op Creamery Ltd		374	2,584	9	-25	-0.97%	1244	1,266	1,266	637	-637	50.32%	
SPECIALIST BREEDING SOCIETIES														
7	Irish Angus Cattle		2	256	22	18	7.03%	170	727	727	0	0	0.00%	
8	Irish Charolais Cattle		4	815	72	64	7.85%	23	1,965	1,965	0	0	0.00%	
9	Irish Limousin		5	655	108	98	14.96%	284	1,034	1,033	0	1	0.00%	
RURAL DEVELOPMENT & MISCELLANEOUS SOCIETIES														
10	NFGWS		10	850	118	142	16.71%	17	1,179	1,179	0	0	0.00%	
11	Bulgaden Group Water Scheme Co-op Society Ltd		0	49	11	4	8.16%	79	115	53	0	62	0.00%	
12	Ballintorman Group Water Scheme Co-op Society Ltd		N/A	16	-0	-0	-2.56%	0	16	0	0	16	0.00%	
13	Kilmovee Urlaur GWS Co-op Society Ltd		703	187	-9	-9	-4.81%	0	162	162	0	0	0.00%	
14	Newtowndaly GWS Co-op Society		94	11	1	9	81.82%	1	40	56	0	-16	0.00%	
15	Country Markets Limited		1	1,934	-19	-23	-1.19%	13	223	223	0	0	0.00%	
16	Commercial Mushroom Producers Co-op Society		23	210,866	1,474	446	0.21%	9,562	11,478	1,884	3,914	5,680	207.75%	
17	IFAC		134	12,501	-614	-949	-7.59%	3,906	13,194	13,194	0	0	0.00%	
18	Irish Horse Board		0	175	3	3	1.71%	0	142	142	0	0	0.00%	
19	FDC		0	285	226	150	52.63%	3,028	3,089	2,650	439	0	16.57%	
20	Nat Co-op Farm Relief		8	4,655	74	67	1.44%	157	2,032	2,032	0	0	0.00%	
21	ICS Europaks		26	14,048	1,133	586	4.17%	2,951	3,209	2,736	473	0	0.00%	
22	Irish Charollais Sheep Society Ltd		262	101	25	22	21.78%	1	58	58	0	0	0.00%	
23	FRS Network Amalgamated Co-op Societies Ltd		733	13,771	475	165	1.20%	3,398	6,255	5,745	521	-11	9.07%	
24	Narin Portnoo Rosbeg Community Co-op Society Ltd		0	42	53	14	33.33%	849	900	337	15	548	4.45%	
	Total		1,243	307,277	4,561	1,283	0.42%	46,638	69,487	63,429	7,604	-1,546	11.99%	

N/A

** Prior year figure

EBITDA Earnings before interest, tax, depreciation & amortisation

CO-OPERATIVE STATISTICS: FISHING AND SUMMARY CO-OPERATIVE STATISTICS

Fishing Co-operative Societies 2012										Balance sheet €'000			
Society	Members	Employees (inc part / time)	Total sales	EBITDA	Net profit / (loss) before tax	Net profit / (loss) as a % sales	Tangible fixed assets	Total assets less current liabilities	Shareholders / Members Funds	Bank overdraft / loans & finance leases	Other	Debt / equity ratio	
1 Castletownbere	85	44	31,560	519	278	0.88%	3,275	5,047	2,985	3,481	-1,419	116.62%	
2 Galway & Aran	N/A	8	6,588	-28	-67	-1.02%	722	924	554	185	185	33.39%	
3 Foyle Fishermen's co-op	N/A	9	1,437	77	51	3.55%	47	890	864		26	0.00%	
4 Clogherhead	N/A	7	13,262	299	275	2.07%	46	599	599	398	-398	66.44%	
Total	85	68	52,847	867	537	1.02%	4,090	7,460	5,002	4,064	-1,606	81.25%	

N/A Not Available

** Prior year figure

EBITDA Earnings before interest, tax, depreciation & amortisation

Summary Co-operative Statistics 2012									
	Total	Dairies	Marts	Fishing	Others				
Number of Societies	76	25	23	4	24				
Members	198,448	80,517	28,389	85	92,693				
Employees	36,876	34,847	718	68	1,243				
Trading Performance (€'000)									
Total Sales	14,149,287	13,572,025	217,138	52,847	307,277				
Net profit / (loss) before tax	550,331	546,795	1,716	537	1,283				
Net Profit / (Loss) as a % of Sales	3.89%	4.03%	0.79%	1.02%	0.42%				
Balance Sheet (€'000)									
Tangible fixed assets	2,373,118	2,222,739	99,651	4,090	46,638				
Total assets less current liabilities	5,187,635	4,990,402	120,286	7,460	69,487				
Shareholders / Members Funds	4,037,744	3,874,125	95,188	5,002	63,429				
Bank overdraft / loans & finance leases	1,895,433	1,840,428	43,337	4,064	7,604				
Other	-745,542	-724,151	-18,239	-1,606	-1,546				
Debt / equity ratio	46.94%	47.51%	45.53%	81.25%	11.99%				

Note: A number of affiliate store, breeding, and miscellaneous societies are not recorded in the annual co-op statistics due to reports not being submitted by the required deadline.



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