



125th icos annual report & accounts 2019



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- RIGGOLDY BUSINESS ASSOC.
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Presidents Statement

Jerry Long
ICOS President



I have been privileged to serve, for the past year as President of ICOS. In my role, I chair a marvellous board of committed co-operative leaders, who work so hard to further the interests of their members. I also represent the ICOS organisation, and the Irish co-operative movement at a wide range of events and forums, nationally and internationally. I am very proud of the impact which ICOS has, particularly with our own policy makers, and in Brussels. It is hugely important to engage in every step of the decision-making process, as we must allow the voices of ordinary co-operative members to be heard.

The challenges facing farmers and co-operative members in 2020, and beyond, are varied and complex. As a representative body to so many co-operatives we have to find creative and sustainable ways of dealing with those issues. We are still navigating our way through Brexit.

The co-operative model is crucial for all stakeholders to work together to meet the obligations and targets for effective and realistic results towards combating climate change. On this point it is interesting to note that the COVID-19 pandemic and the cessation of economic activity has resulted in a dramatic drop in pollution levels whilst farmers are still farming their land as normal. We still, however, are obliged to farm in a way that does not damage our natural world. We enjoy the habitat that we work in so it does not make sense to jeopardise it. It is possible to meet our environmental obligations with an economical option that ensures the livelihoods of so many people. We have to adopt a three-pronged approach which addresses and respects the environmental, social and economic needs.

As a nation, we have been catapulted into uncharted waters as a result of COVID-19. This pandemic has raised many questions as to the unsustainable ways we live our lives. There is an onus on us in ICOS to guide our farmers in a way that will make the sector more resilient in the face of such crises.

It is a crisis of enormous proportions and we as an organisation have to try and avoid unnecessary hardship for the farmers and co-operatives that we represent. It is through good leadership by looking closely at the strengths, weaknesses, opportunities and threats at this time that we will bounce back as an industry.

There has always been a close connection in the Irish psyche with land and its ownership. It was a matter of life and death during The Famine. We are custodians to that same land and we as policy makers, or farmers, must oversee and undertake our responsibilities to ensure that the legacy we pass on will pave the way towards a positive equitable way of farming and managing that land. There is need for creativity at every level to sell farming as a positive way of life. In ICOS, we at all times have to be mindful of the viability of the industries that we represent. There are many families and communities dependent on good governance from organisations like ICOS.

The need for contingency planning as evidenced in recent weeks is paramount for the survival and continuity of the food supply chain while adhering to strict protocol with health and safety regulations. As farmers, we are somewhat sheltered from the vagaries of the pandemic. We can milk our cows, sell our animals, grow our grass and vegetables albeit in an unorthodox way. We, however, need more trained personnel in key areas of speciality. This is an area which requires more attention and improvement. The pandemic has brought many industries to a halt. Land is a valuable asset and farming and many related activities can provide more employment and a more stable way of life. Farming has always been the backbone of Irish society and it is critical we ride the tide during this unprecedented time. The most important aspect is to ensure that we have high quality food that is available at all times. We need more people on the land to farm more efficiently. With fertile soils, a moderate climate and more than enough rain water,

Ireland has a natural advantage for farming the land to produce food, fibre and fuel.

Labour is a huge issue for many Irish farmers as a result of expansion. In many instances, the human cost is great and if the work life balance is not achieved the economic and social aspects are impacted negatively. Our population is growing and there should be more incentives to encourage people to farm or work on farms. In other workplaces, the perks associated with prospective employment attract many candidates and, in many instances, there are more potential employees than available employment.

The role of women in agriculture has to be recognised, there is a lot of silent employment that goes unnoticed and unmarked. It has been a feature of patriarchal society through the ages. The gender representation on boards and perhaps ICOS has to address that imbalance also. To have a more equitable society we should try and uphold values that are just and fair.

On balance, our story is a good one, however. We produce the finest of grass fed dairy, beef and lamb, in a clean environment, free of the pollutants of heavy industry, and we organise ourselves in a fair, democratic and equitable co-operative structure. We should be very proud of this platform.

In conclusion, I would like to acknowledge the great work done by our expert committees and their executive support. I would also like to thank our CEO, TJ Flanagan and all ICOS staff for their dedicated work in keeping our co-operatives and farmers informed of current challenges and opportunities.

I would also like to acknowledge the contribution of retired members of the ICOS Board and expert committees, in particular my predecessor as President, Michael Spellman and I wish them all well in their retirement.

CEO Statement

TJ Flanagan
CEO



A society grows great when old men plant trees whose shade they know they shall never sit in.

As we sit to review the key elements of 2019, we can't help but examine it through the prism of the bleak reality of 2020, the COVID-19 pandemic, and the greatest threat to our physical, economic and social wellbeing in living memory.

In 2019, ICOS, as can be seen throughout this report, did enormous work to further the interests of our member co-operatives, their members, and the concept of co-operation. Our in-depth work in areas such as the environment, milk quality, animal health and welfare, agri-trading, livestock breeding, production, and marketing, the co-ordination of the Beef Environmental Efficiency Programme, training and development programmes for directors, staff and members, legal and governance advice around co-operative rules and policies, co-ordinating European programmes to promote leadership and good governance in co-operatives; all this work represents a significant investment by ICOS member co-operatives, who through their affiliation fees, invest heavily in the promotion of the co-operative model as the best way for individual small business owners to pool their resources to achieve their shared goals.

Our co-operatives themselves have delivered substantial social, economic and environmental benefits for their members, as well as society as a whole, and demonstrated the real merit of the co-operative as a structure which delivers business performance, whilst respecting democratic principles.

The COVID-19 crisis does, however, challenge us to look at the resilience of our business model; can our traditional co-operative structure, based as it is on a legal framework from 1893, continue to deliver for all stakeholders, whilst being competitive and efficient?

Against a backdrop of Brexit uncertainty, 2019 was a mixed year for ICOS members. The dairy sector grew milk supply to 8 billion litres, ahead of projections, and delivered exports of €4.4bn. It continued to

develop products and markets to reduce our reliance on the UK market, with the US and Chinese markets continuing to show significant growth. The beef sector suffered a quite difficult year, with volumes and prices dropping, and the manifestation of significant discontent amongst cattle producers, at what they say as their poor treatment by the privately owned beef industry. Notwithstanding the underlying difficulties in the European beef market in 2019, the growing anger and despair amongst individual farmers was a manifestation, to a large extent, of their frustration at not being able to influence their fates. The fact that the dairy industry, internationally, as well as in Ireland, is dominated by large, strong, well governed co-operatives, whose *raison d'être* is to further the interests of their milk supplier members, results in an industry that builds strong supports around members, gives them a strong say in the business, and invests to facilities, technologies, and markets, to deliver the best price to their members.

Over the past decade, we have seen co-operatives, particularly in dairy, make significant investments in capacity, to provide for the next generation of members to grow their businesses. The Greek proverb, "a society grows great when old men plant trees whose shade they know they shall never sit in", is particularly apt for the performance of the co-operative sector over the past century. Generations of co-operative leaders have been willing to contribute to the building of businesses from which successive generations would derive the most benefit. It is this strength, sustainability, and resilience which stands the co-operative model in these current challenging times. Privately owned businesses, as can be seen in the UK, are quick to abandon farmer suppliers when the market disappears as has recently happened with COVID-19 related restrictions. Irish dairy farmers, however, are being extraordinarily well served by their structure, which is committed to, and delivering for its members, despite the ongoing public health crisis, and associated market difficulties.

We've worked hard to spread the news about the co-operative model to new sectors of the economy. We've continued to reach outside of our traditional rural heartland, into urban communities, to foster and develop new co-operatives in tourism, technology and new media. These sectors share much in common with our traditional farming base; individual sole traders and small businesses, trying to achieve scale and efficiency

to sell their goods or services in an increasingly globalised world. We are achieving good success in these areas, and continue to devote significant resources to the area. We appreciate the support of the Golden Jubilee Trust in allowing us to do this work.

As the Irish and global economies enter into severe recession, with unknown long-term impact on our supply chains, or demand for our produce, we will have to work harder than ever to ensure our competitiveness, and the sustainability and resilience of our businesses. It's almost easy to forget, sometimes, the ongoing challenges we face; climate change and our environment, trade uncertainty including Brexit, the move to plant protein diets, growing inequality in society, the migrant crisis. These challenges will continue, in parallel with our current pandemic, and we ignore them at our peril.

We are extremely fortunate, in the co-operative sector, to have a business model that respects sustainability, democracy, equality and opportunity. Sometimes, we don't appreciate the merits of our structure, and we allow others to undermine it. We must never do that. We must continue to strive to defend a model which respects the rights of members, and commits to supporting them. ICOS is committed to working to support our co-operatives, their members and the co-operative way of doing business. We need, however, to work harder to demonstrate it to the outside world.



Operational Services - Legal and Governance

James Doyle
Legal Counsel & Governance Executive

No business can assume it is equipped to handle economic or other challenges. The risk of making that assumption in error is greater when times are good. In 2019, the economy performed well and accordingly many ICOS co-operatives and their service users gained in their respective markets. Against that backdrop, many co-operatives seized the opportunity to examine their strategic priorities and implement changes beneficial to the intertwined interests of the co-operative and its members.

PARTICIPATION & CONTROL

For larger co-operatives, there is always the dilemma of retaining the interest and participation of farmers where the service offering is diverse and the geographic catchment wide. In 2019, several co-operatives asked questions of themselves.



How can we better receive farmer feedback on our existing policies on milk constituents or the quality of our farm supplies?

Are board members too stretched by workload and geography to act as a conduit?

Have we a generational renewal problem?

These questions were asked in co-operative enterprises across all sectors of society and the economy.

To answer them, ICOS assisted in the establishment of working groups to explore solutions. Solutions that work for the co-operative and for the service user. Solutions that would survive business and legal scrutiny.

Co-operatives such as Aurivo Co-operative Society Ltd and Lisavaid Co-operative Creamery Ltd established sub committees of their board members. Others such as Dairygold Co-operative Society Ltd deployed a wider representative consultation. All gave time and care to the task at hand. That being to identify issues and tease out solutions.

A few patterns are now visible, based on the rule and policy review processes that had concluded by the end of the year.

- Participation incentives, such as the use of patronage bonus shares remain important to the farmer member
- Capital funding of operations on the one hand and the differentials in shareholdings are driving a careful reconsideration of the terms governing share redemption and share standard



- Increased use of company structures at farm level motivates greater clarity in the rules (or in policy) on bonus share allocation, voting rights and treatment of co-operative shares on succession
- Board rotation, an important feature, is harder to achieve where there is a lack of younger service users willing and able to contest and serve in representative roles
- Limits on age and years of service continue as the preferred mechanisms to ensure optimum rotation
- Director education and upskilling is increasingly being considered as a qualification requirement for serving on the board
- The lines of authority ('terms of reference') for sub committees on audit, remuneration and investments are requiring more definition to reflect the higher standards and expectations of regulators and shareholders alike

Control (of one's co-operative) and participation (by one, in one's co-operative) cannot be taken for granted. In 2019, several committees of management engaged with their colleagues to test the strength of those cornerstones in their respective co-operatives. Unsurprisingly, different co-operatives arrived at different solutions. No one size fits all. However, when building solutions to sustain a co-operative there is logic in exploring what has worked elsewhere. ICOS

is uniquely positioned to provide that service and will continue to do so for the good of service users and their co-operatives in all sectors.

CONSOLIDATION

For some co-operatives, a strategic review will lead to consideration of merger with others. As was the case in 2018, several co-operatives proceeded and concluded merger negotiations this year.

Monaghan Farm Relief Services Limited, Donegal Farm Relief Services Limited, Newtownsandes Co-operative Dairy Society Limited, North Cork Co-operative Creameries Limited, LacPatrick Co-operative Society Limited and Lakeland Dairies Co-operative Society Limited all concluded consolidation processes during the year. Interestingly, from a legal angle, different technical routes to merger were followed in each of the three cases. However, in all three the motive and intention of members is generic: continued access to quality services.

Where called upon to do so, ICOS provided the full range of relevant supports and services to the men and women embarking on these critical and sensitive strategic decisions. Those supports included:

- Advising on potential partner co-operatives
- Assisting with confidentiality controls
- Facilitating meetings between negotiators

- Drafting of rules and resolutions
- Assessing share register profile
- Reviewing third party advices and contributions on taxation, competition law, valuations
- Attending at board meetings and member information meetings
- Oversight and/or fulfilling Returning officer role at Special General Meetings
- Registration of effecting resolutions
- Post-merger assistance on shares and other matters

MEMBER SERVICES

For most co-operatives, neither a formal review of their structure nor a merger was required in 2019. That said the unique features of the co-operative as a functional user owned collaboration mean that in every calendar year the committee of management and supporting executives will be kept busy. 2019 proved no different in that respect.

Disputes

To hold shares in a corporate entity is to have an interest in it. That is true in any company variant. In a co-operative (Industrial and Provident) society, it is especially so. The connection between member and co-operative is all important: one cannot function efficiently without the wholehearted buy-in of the other. The ICOS member services team assisted many co-operatives on shareholder requests regarding, for example, inspection of membership records. In most instances, the matter was resolved by dialogue. In some cases, however, formal dispute resolution was pursued by means of arbitration under the society's rules.

Shares

To continue with the theme of connection between member and co-operative, the possession and succession of shares remained a considerable task for co-operative committees and staff nationwide. The ICOS model rules provide a basis for answering questions such: as how to allocate the shares of a member where no will exists?; To what lengths must a committee of management go to identify an untraceable shareholder? ICOS Legal Counsel and Governance Executive, James Doyle, worked with co-operative secretaries across the network in maintaining their share registers and, strategically, putting in place systems to ensure that the transfer of shares on

death happens in a more structured and time efficient manner.

Regulation

During the year, the Central Register of Beneficial Ownership came into being. A function of the State, its purpose is to record a basic record of individual human ownership in corporate entities. For co-operative societies, and other corporates established in Ireland, there is an underlying obligation to maintain a more detailed record of these 'beneficial owners'. ICOS issued comprehensive advice on how co-operatives might discharge (and maintain) their responsibilities, with respect to both registers, through a series of comprehensive circulars and one-on-one assistance. Further to completing that work, ICOS has liaised with the Registrar with a view to mitigating the negative implications and perceptions of equitable ownership where volunteers in smaller co-operatives are, by on application of the law, deemed to be the recorded 'beneficial owner'. That work remains ongoing at the time of writing.

Co-operation among co-operatives

In the same way that a co-operative comes into being where the benefits of collaboration make doing so worthwhile the same rationale continues to drive co-operation between co-operatives. In 2019, Milk Quality Ireland Co-operative Society Limited (IMQCS) embraced a name change and a complete amendment of its rules supporting its fitness to serve the milk machine technician link in the dairy sector supply chain. ICOS executives, James Doyle and Eamonn Farrell, worked to ensure that idea became a reality.

LEGAL DEVELOPMENTS

In addition to changes made by the decisions of co-operatives and their members change in the shape of laws impacted from outside.

Data Protection

The implications of the strengthened data protection legislation (effective as of 25 May 2018) continued to throw up issues for co-operatives. Resolving these queries involved building and weighing up of arguments on whether the sharing of personal data (e.g. a member's contact details to an election candidate) can be justified on one or other of the bases in the Regulation (GDPR). To that end, ICOS continues to build a repertoire of case scenarios and measured advices. Work undertaken by Darragh Walshe, Legal

and Development Executive, made a significant contribution to that endeavour.

European Union

Through its membership of COGECA – the European umbrella organisation for agricultural co-operatives – ICOS secures the right to be heard with others on the European Union stage. The Tax and Legal Committee is attended by Legal Counsel and Governance Executive, James Doyle and throughout 2019 there were useful meetings on the Unfair Trading Practices Directive and the General Data Protection Regulation. Working with European Affairs Executive, Alison Graham these and other EU Law governed co-operative matters continue to be teased out in a manner that ensures the particular interests of Irish agri business co-operatives are safeguarded.

Industrial and Provident Societies Acts Review

As disclosed in the 2018 report, the Government embarked on a process of consultation with a wide range of organisations operating as, or on behalf of, industrial and provident societies in Ireland. While the bulk of the formal submission stage of the process took place in 2018, discussions on the proposed content of a new legal framework started to take place this year. In that regard ICOS Legal Counsel and Governance Executive, James Doyle, led the ICOS contribution.

The ICOS position on all aspects of the governing legislation drives from the primacy of participation, control and autonomy for the benefit of the user member. Long held ideas such as the power to issue bonus shares and the presence of a user member board of directors remain critical to sustaining that service user purpose. New ideas including statutory clarity on the ability of a co-operative to access modern finance streams, electronic methods of communication and derogations from auditing of financial statements do need to be explored so that co-operatives and their members can prosper with the caveat that any adoption of these features must be predicated by an assessment of unintended consequences.

Private Members (IPS) Bill

In parallel to the Government initiated review of the industrial and Provident Societies Acts, a bill seeking to put forward certain changes was moved by private members of the Oireachtas. The Industrial

and Provident Societies (Amendment) Bill 2018 dealt with two substantive issues that intersect with the above-mentioned review.

These were:

- (i) A reduction in the minimum number of individuals required to establish a co-operative society; and
- (ii) A relaxing of the requirement to prepare and file an annual return (and certain comprising documents) by way of Ministerial regulation.

ICOS executives James Doyle, Sinead Farrell and Darragh Walshe scrutinised the proposals and the merits of their impact for co-operatives (both new and old) and the interests and rights of their members. Having a sustainable scale and level of interest among service users is critical to co-operative viability. Over the years, Irish co-operatives have struggled to retain viability in operational and other respects when their membership drops to a number approaching the current legal minimum of seven (7). Accordingly, the proposal to reduce the minimum to three (3) was something that ICOS could not support in good conscience. After some requests for clarity, it became apparent that the second proposal was not an intention to remove the legal duty to file an annual return but instead an attempt to permit certain classes of society waive their right to have their accounts audited. ICOS have long pressed for a measured version of this proposal and so we communicated our views on how such a mechanism would be acceptable to our membership.

After these deliberations and communications, ICOS were requested to appear before the appropriate Oireachtas Committee – and this invitation was accepted with Sinead Farrell (Chief Financial Officer) and Darragh Walshe (Legal and Development Executive) presenting on 25th June 2019.

As Legal Counsel and Governance Executive to ICOS, James Doyle notes that as of the time of writing it is not clear whether the current review will be continued as following the February 2020 general election no government has been appointed. ICOS will be monitoring the situation closely and if the opportunity presents itself will continue to make representations that reflect the needs of the affiliated network.

2019 REGISTRATIONS

| New Co-operatives | |
|--|-------------------|
| Northway Mushrooms Co-operative Society Limited | 19 March 2019 |
| West Cork Irish Whiskey Co-operative Society Limited | 30 May 2019 |
| Cobh Ramblers Co-operative Society Limited | 06 June 2019 |
| Coolcormack Valley Group Water Scheme Co-operative Society | 17 June 2019 |
| Dunlewey Group Water Scheme Co-operative Society Limited | 01 July 2019 |
| Drybridge and Waterunder Group Water Scheme Co-operative Society Ltd | 25 July 2019 |
| Green Restoration Ireland Co-operative Society Limited | 13 August 2019 |
| Irish Blue Texel Sheep Society Limited | 24 September 2019 |
| Insemore Insebeg Group Water Scheme Co-operative Society Limited | 10 October 2019 |
| Farm Fresh Produce Co-operative Society Limited | 10 December 2019 |
| Complete Amendments | |
| Milk Quality Ireland Co-operative Society Limited | 14 January 2019 |
| Blackstairs Group Water Scheme Co-operative Society | 25 July 2019 |
| Caherline Newtown Group Water Society | 01 August 2019 |
| Glencorrib Group Water Scheme Co-operative Society Ltd | 21 August 2019 |
| Meath Hill Group Water Society Limited | 21 August 2019 |
| Burtonport Fishermen's Co-operative Society Limited | 21 August 2019 |
| Mullawn Group Water Scheme Co-operative Society Ltd | 26 September 2019 |
| Enniscrone Improvements Society Limited | 15 October 2019 |
| Comharchumann Forbartha Arann Teoranta | 05 November 2019 |
| Western Forestry Co-operative Society Limited | 21 November 2019 |
| Castlebaldwin Group Water Supply Limited | 06 December 2019 |
| Partial Amendments | |
| Commercial Mushroom Producers Co-operative Society Ltd | 07 January 2019 |
| Newtownsandes Co-operative Society Ltd | 31 January 2019 |
| North Cork Co-operative Creameries Ltd | 31 January 2019 |
| Aurivo Co-operative Society Ltd | 12 February 2019 |
| Irish Farm Accounts Co-operative Society Limited | 18 February 2019 |
| Lisavaid Co-operative Creamery Limited | 25 July 2019 |
| West Cork Irish Whiskey Co-operative Society Limited | 06 September 2019 |
| Mergers (Amalgamations, Transfer of Engagements and Other) | |
| Amalgamation | |
| Newtownsandes Co-operative Society Limited & North Cork Co-operative Creamery | 31 January 2019 |
| Consolidation | |
| Lakeland Dairies Co-operative Society Limited & LacPatrick Co-operative Society Limited | 01 April 2019 |
| Transfer of Engagements | |
| Clobanna Group Water Scheme Co-operative Society Limited | 08 August 2019 |
| Dissolution | |
| Monaghan Farm Relief Services Limited dissolution as part of transfer into Donegal Farm Relief Services Limited | 26 March 2019 |
| Name changes and Conversions from Company structure | |
| Conversion | |
| FRS Training Society Limited | 02 January 2019 |
| Change of Name | |
| Irish Milk Quality Co-operative Society Limited to Milk Quality Ireland Co-operative Society Limited | 14 January 2019 |

Member Services ICOS Dairy Committee



Eamonn Farrell
Agri Food Policy Executive
Secretary to the ICOS Dairy Committee
Secretary to Milk Quality Ireland Co-operative Society

COVID-19 AND THE DAIRY SECTOR

The Irish dairy sector is facing into a period of severe market turbulence. It is estimated by Ornuia that global demand for dairy products and ingredients will be reduced by 10% to 15% in 2020, as stronger retail demand is not enough to offset the collapse in food service at home, across the EU and internationally.

One significant lesson emerging from the COVID-19 pandemic is the importance of food security. We are reminded during times of emergency, such as the one we face today, of the importance of having secure supply chains of traceable, nutritious and healthy food. We are also reminded of our dependence on farmers as the primary producers of food and the essential service they provide to the rest of society.

Policy makers at EU and national level must understand that any significant disruption to the milk production supply chain will have long lasting implications for food production and food security. New challenges are surfacing for dairy co-operatives as they try to maintain the collection, processing and distribution of milk and dairy products while ensuring the safety of farmers, their employees and managing the surge of peak production. They are doing an excellent job, but Europe must realise, farmers and their co-operatives can't do it all on their own.

The European Union - through its Common Agricultural Policy - has a responsibility to support EU farmers and their co-operatives during times of severe market imbalance and distortion. The European Commission must deploy the full suite of market support measures at its disposal and the Irish

Government must be innovative with the support it can bring to the table for farmers and co-operatives. There is a rich tradition of collaboration within the Irish dairy sector. ICOS through its Board, Dairy Committee and co-operative members are 100% unified in their purpose to working together, and pooling resources, to ensure that all milk is collected, processed and paid for, while protecting the health and welfare of staff and rural communities at this worrying time of national crisis.

SUSTAINABILITY & THE DAIRY SECTOR

The Government published its Climate Action Plan in 2019, establishing a 10-15% emission reduction target for agriculture. The Climate Action Plan identifies how Ireland will achieve its 2030 Greenhouse Gas reduction targets and includes an ambitious sectoral target for agriculture.

The Department of Agriculture followed up in late 2019 by launching a draft climate and air roadmap for the agriculture sector called "Ag Climatise". The "Ag Climatise" roadmap is a further step up in ambition focused on soil fertility, nitrogen use efficiency, the promotion of protected urea, breeding, slurry management, land spreading, land management and afforestation. Other significant developments include the publication of the EU Green Deal with the overall goal of "net zero" emissions by 2050 and the current review of the Common Agricultural Policy, which includes higher environmental goals.

The nitrates derogation will be reviewed starting in late 2020, which prompted the Department of Agriculture to instigate a mid-term review of the current derogation rules in 2019. ICOS with

industry partners are committed to working at EU and national level to protect the continuation of the derogation for grassland farms.

These developments will have significant implications for the dairy sector in the short to medium term. The sustainability of dairy farming from an environmental, social and economic perspective is second to none. There is huge willingness on behalf of the dairy sector to embrace new farm management practices that will drive improved environmental outcomes. This was very evident during a very successful ICOS and UCC CPD training session for co-operative directors and executives held in 2019.

However, the costs associated with adopting new technologies and practices cannot be unduly placed on the primary producer and food security must be recognised on an equal footing, with public policy supporting the efficient production of safe and healthy food such as Ireland's grass-based meat and dairy sectors.

ANIMAL WELFARE

ICOS has played a central role in spearheading industry initiatives to strengthen Ireland's very positive reputation with customers and the need to maintain our social licence. ICOS agreed an industry charter on calf welfare and supported efforts to develop sustainable outlets for male dairy calves through ICOS marts. We engaged extensively with the Department of Agriculture and other stakeholders to protect live exports and to expand lairage capacity. We continue to work with all stakeholders through the Department of Agriculture's calf welfare stakeholder group to improve the breeding policy and long-term sustainability of the national herd.

VETERINARY MEDICINES

ICOS has submitted detailed submissions to both the Department of Agriculture and the Health Products Regulatory Authority (HPRA) outlining a new responsible prescribing model for veterinary medicines including dry cow tubes. The Department of Agriculture and HPRA are tasked with transposing the new EU veterinary medicines regulation into Irish law before January 2022. ICOS is working hard to protect the availability of all veterinary medicines through the licenced merchant network, to ensure maximum and fair competition for farmers, whilst reducing the human and animal health risk of antimicrobial resistance (AMR) and anthelmintic resistance.

INDUSTRY REPRESENTATION:

ICOS represents the dairy sector at EU and national level through the following bodies:

- ICOS Dairy Committee
- Copa-Cogeca Working Party on Dairy and Milk Products
- Dairy Research Ireland
- Milk Quality Ireland
- DAFM CAP Consultative Committee
- DAFM Calf Welfare Stakeholder Group
- Farm Animal Welfare Advisory Council
- AHI CellCheck Implementation Group
- AHI Johnes Disease Implementation Group
- Dairy Sustainability Forum
- Dairy Sustainability Ireland Co-operative Working Group
- ASSAP Farm Consultative Group
- Co-operative Working Group on Animal Remedies
- AMR National Action Plan Implementation Committee

ICOS DAIRY SECTOR SUBMISSIONS TO THE IRISH GOVERNMENT & EU IN 2019-20

In 2019-20, ICOS submitted 12 formal responses on behalf of the Irish dairy co-operative sector to public consultations organised by the Department of Agriculture, Food and the Marine at national level and the European Commission at EU level.

- Nitrates Derogation Review by DAFM
- Code of Good Practice for reducing ammonia emissions from agriculture by DAFM
- Climate Change Adaptation Plan by DAFM
- Agri Food 2030 Consultation by DAFM
- ICOS Pre Budget Submission 2020
- Consultation on the Unfair Trading Practices Directive by DAFM
- "Ag Climatise" Strategy: Climate and Air Roadmap Consultation by DAFM
- EU Veterinary Medicines Regulation – Stakeholder Consultation by DAFM
- Health Products Regulatory Authority – Stakeholder Consultation into the EU Veterinary Medicines Regulation
- Market Transparency Consultation by the European Commission
- Animal Disease Eradication Programmes Consultation by the European Commission
- European Court of Auditors Report on Dairy Market Imbalance 2014-17

ICOS Marts Committee

Ray Doyle
 Livestock & Environmental Services Executive
 Secretary to the ICOS Marts Committee



MARTS

At the time of writing this report the livestock marts are effectively closed as the transparent live auction of animals is prohibited as a result of the global COVID-19 pandemic and resultant restrictions. This is a case of déjà vu for the co-operative marts sector, as almost 20 years ago all livestock marts were closed down from 27th February until 18th June for cattle and sheep sales due to the foot and mouth outbreak of 2001 that rampaged across the UK. Here we are in 2020, and the marts are effectively shut again for the same period probably. The major difference between then and now is animals can move people can't, but the effect is the same, the transparent auction process has stopped and then as now, farmers are seeing the true value of the livestock mart, the valuation of livestock in the sales ring.

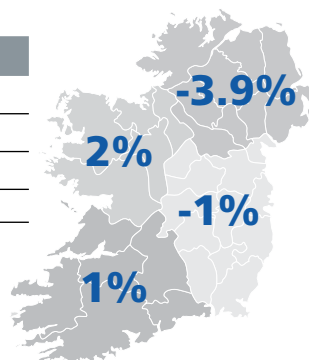
CATTLE

During 2019, ICOS marts cattle throughput was up 2.8% nationally compared to 2018 and almost 7% on 2017. The inclement weather associated with the loss of throughput in 2018 didn't thankfully reoccur and farmers could present their cattle for sale any week they wished. The overall increase in cattle numbers due to increased dairy numbers has trickled into the marts, thankfully and in total 1,789,795 cattle were presented for sale in all marts, but only 1,669,120 were sold and 175,111 returned unsold or 9%. The regional breakdown was as follows:

2019 versus 2018

| Province | Throughput |
|----------|------------|
| Ulster | -3.9% |
| Munster | 1% |
| Leinster | -1% |
| Connacht | 2% |

It was a difficult year for producer prices, with the average meat factory price for R3



steers in 2019 falling to €3.60/kg, a drop of 24c/kg compared to the average price in 2018. With the current COVID-19 outbreak and Brexit the demand for Irish beef continues to drop and is currently below this depressed figure at time of print.

Meat factory throughput fell by approximately 60,500 head, or 3.4%, and this drop in production was mainly caused by the disruption experienced during the meat factory protests, which ultimately contributed to further difficulties for beef processors and cattle finishers. The marts again provided an invaluable source of income and trade for many farmers during the difficult summer period when farmers blockaded many factories across the country, essentially bringing the beef trade to a stop.

Live exports

During 2019, overall exports of live cattle from Ireland reached approximately 300,000 head of cattle: an increase of over 20% from 238,000 head the previous year. The higher trade levels were mainly attributable to increased calf exports. In terms of revenue, the total value of Irish live exports remained unchanged from the previous year, at €110m, due in part to the low value of the young calves destined for the Netherlands and Spain.

Calf exports totalled 200,000 head, representing an increase of 25% or 44,000 head. As in recent years, the principal markets for Irish calves in 2019 included Spain, the Netherlands, Italy and France. The Spanish market recorded sustained growth, accounting for over 79,000 Irish calves, an 11% increase on the previous year. Irish calf exports to the Netherlands grew by a massive 72% to 83,500 head, which mainly included lighter Holstein-Friesian bull calves destined for veal production. Live cattle exports to Great Britain were unchanged on the 2018 levels, at just 5,500 head. 2019 saw significant growth in live exports to Northern Ireland, which increased by over 50% to 33,000 head. The majority of these live exports comprised of finished cattle for slaughter and some dairy breeding animals.

Exports of weanlings and finished cattle increased by 13% and 33% respectively, while the number of store cattle exported remained on-par with the previous year. Irish exports to several other markets recovered strongly in 2019 with trade to Italy increasing by 25%, to 30,000 head, as Irish animals became more price competitive than in recent years. There was a 78% decline in live exports to Belgium as a result of an outbreak of Bluetongue disease in that market. There were also 2,500 head of cattle shipped to Greece. Other markets included Poland (5,900 head), Slovakia (1,900 head), Romania (1,000 head), Czech Republic (5,100 head), Kazakhstan (1,000 head), Tunisia and finally Algeria: which live exporters gained access to in 2019. All these new markets are a welcome development as most exporters source these animals in marts.

There was a 20% increase in exports to international markets, with Libya being the main destination, accounting for over 11,000 head of live cattle. Over 10,000 Irish cattle were sent to Turkey in 2019, this however is down over 2,000 on 2018, as a weakened currency and political unrest continue to disrupt this trade.

MART INSURANCE

Insurance premiums for livestock mart centres continued to rise in 2019 but at a much lower rate of increase than other years, but several ICOS marts across the country saw their insurance premiums rise to over €100,000 per annum. This level of premiums cannot be sustained by the industry or individual mart centres and remains the number one challenge to the continued existence of livestock marts in some counties. Many marts across Ireland now have locked down their lairages and passageways from public access and increasingly the public have adjusted to this quite well with no adverse effect on attendance numbers in marts. ICOS continues to work with the major insurer of marts, namely FBD to bring down premium rates to all marts. The requirement for significant infrastructural investment in health and safety in order to comply with current health and safety recommendations is challenging to many co-operative mart balance sheets.

SHEEP

The sheep numbers presented in marts increased slightly by almost 1% to 1,453,015 which was a welcome development after several years of decline. Farm gate prices for sheep meat in 2019 were on average down 25c/kg on 2018 levels. The average

sheep price for the year stood at €4.80/kg, which was the lowest average price since 2015. While the majority of Irish exports are still destined for either France or the UK, it is worth noting that the value of exports to other markets now stands at over 50% of total exports. This represents a 1% rise on the previous year's figures, which showed 50% of export values were for markets outside of the UK and France.

Sales of factory finished lambs have stabilised in most co-operative marts, but breeding stock and store lambs continue to underpin co-operative livestock mart trade. The full introduction of EID came into effect on 1st June 2019 and many co-operative marts installed electronic reading equipment. ICOS negotiated a generous grant aid package of 60% with DAFM for ICOS marts which influenced most marts decision in this regard. Marts and farmers are now accustomed to EID and all agree its implementation greatly decreases workload associated with sheep sales. All sheep moving off a holding must be identified with an EID tag and require two tags for sale through a mart. Bord Bia has confirmed its introduction has aided the securing of the new international markets for Irish sheep meat.

Ultimately, the form Brexit takes, will be important for the lamb export industry. The implications of a hard Brexit will compound the logistical issues for Irish exporters of using the UK land bridge.

EUROPEAN ASSOCIATION OF LIVESTOCK MARTS AGM

ICOS marts sent 23 delegates to the 2018 AGM and General Assembly of the EALM. Delegates from Clare Marts Ltd, Cork Co-operative Marts Ltd, Kilkenny Livestock Mart Ltd, Mayo/Sligo Co-operative Livestock Mart Ltd and Roscommon Co-operative Livestock Mart Ltd represented Ireland. It was held in Chateaufort, France from 9th April to 11th April. A key topic was the European Animal Health Law and its implications for the marketing of livestock and having a unified regulation for livestock markets across the EU. Many complaints by Member States in the EU are generated because some EU states have decided to unilaterally apply laws that go beyond the EU regulations and this can hinder free community trade in livestock. A major issue occurs especially in the outer reaches of the EU border with third countries in particular, these markets, which in reality are just assembly centres have questionable welfare standards and are bringing in the name of markets into disrepute and negative attention.

ICOS Rural Business Committee

Darragh Walshe
 ICOS Legal & Development Executive
 Secretary to the ICOS Rural Business Committee



The ICOS Rural Business Committee is chaired by James O'Donnell of National Co-operative Farm Relief Services Co-operative Society Ltd and is comprised of 13 representatives spanning the entire membership of ICOS with the three pillars of the organisation, dairy co-operatives, livestock marts and rural business co-operatives all having representatives on the Committee along with the President of Macra na Feirme. 2019 was a year that saw the Committee achieve several notable goals in promoting the co-operative model as viable, flexible and sustainable model for entrepreneurs, community groups and their support agencies across the wider Irish economy. This saw the establishment of co-operatives in a few interesting areas such as:

- Football – Cobh Ramblers Co-operative Society Limited
- Horticulture – Northway Mushrooms Co-operative Society Limited and Farm Fresh Produce Co-operative Society Limited

- Environmental services – Green Restoration Ireland Co-operative Society Limited
- Whiskey production – West Cork Irish Whiskey Co-operative Society Limited

The Committee is grateful to Yvonne Murphy and Ciara MacLeod of ICOS for their expertise, support and assistance in registering these co-operatives throughout the year.

Secretary to the Rural Business Committee, Darragh Walshe, focused on promoting the co-operative structure to entities such as the Department of Climate Action and Environment, the Department of Business Employment and Innovation and the Oireachtas to highlight its uses and how it can help develop sustainable rural economies. This work was further cemented through organising workshops and events to help interested groups understand the co-operative legal structure and in the participation in conferences and seminars to promote the model. We also look forward to promoting the co-operative model as a key tool in helping Ireland emerge from the COVID-19 emergency throughout 2020.

GENERATIONAL RENEWAL

Generational Renewal was identified as a key priority for the Committee several years ago and 2019 marked significant progress in equipping co-operatives to meet the challenges presented by the demographics of their current members and ensure co-operatives are supported in attracting and retaining new and younger members.

The Committee would like to thank Fiona O'Rourke of University College Cork for the comprehensive research report and engagement plan she published for ICOS on the factors contributing to young farmer

engagement in co-operatives. Following on from the outcomes of Fiona's research report and engagement plan, the Committee carried out the following actions:

- Conducted a pilot with Teagasc, Kildalton College and ICOS Skillnet to introduce the co-operative to students of the Advanced Dairy Management course via lectures and gamified learning. The pilot was quite successful, and we hope to see a similar programme spread to more agricultural colleges in the 2020/2021 academic year. The Committee would like to thank Billy Goodburn, Brónagh Molloy and Breeda Flood from ICOS Skillnet for their work in putting together this excellent programme.
- Encouraged ICOS affiliate co-operatives to engage with discussion groups comprised of the co-operative's members and have a person within a leadership role (CEO/director etc.) address the discussion group and answer any queries they might have about their co-operative and its structure. The discussion group linkup has reached an important cohort of co-operative members and has ensured a level of co-operative awareness among these members.

The aim of both initiatives is to ensure co-operatives have an informed, engaged and active membership eventually feeding into a diverse "talent pool" for leadership positions within the co-operative.

OIREACHTAS COMMITTEE

As emphasised in James Doyle's contribution to this annual report, 2019 was a significant year in terms of the legislation impacting the sector. In the Oireachtas, a private members bill was introduced providing for several proposed changes – including to the minimum number of members required to establish an Industrial and Provident Society and an exemption from statutory audit on certain grounds. ICOS has undertaken considerable research and indeed made submissions on these matters – both in recent years and in the course of the Government initiated review of the Industrial and Provident Societies legislation during the year. ICOS, represented by Rural Business Committee Secretary, Darragh Walshe and ICOS Chief Financial Officer, Sinéad Farrell, attended a meeting of the Oireachtas Joint Committee on Business, Enterprise and Innovation on Tuesday, 25th June 2019 to discuss the Industrial and

Provident Societies (Amendment) Bill 2018. At the meeting, ICOS reinforced and emphasised:

- Our opposition to the reduction of the required minimum of seven (7) special members to three (3) for setting up a co-operative due to our concerns about its ramifications for the sustainability of co-operatives with smaller memberships and the possible weakening of co-operative principles.
- The need for greater government support for co-operatives and ensuring that co-operatives are appropriately categorised and allocated funding by government bodies.
- Our support for Statutory Audit exemption, provided that clearly defined criteria are set out in legislation and ensuring no erosion of the key role a robust regulatory framework plays in providing stability and fairness in the economy.

It was noted in closing; the strength of the co-operative is that the members own and oversee the business, co-operatives are answerable to our members and to future generations of members and that it is essential that this strategic involvement is not overlooked as the Government supports the Irish economy in dealing with the challenges it faces.

The Rural Business Committee welcomes the integrated manner in which concerns of rural co-operative organisations and their stakeholders are being acted upon by ICOS in relation to financial reporting, legal structure and state support initiatives impacting the wider affiliate base.

REFORM OF THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT

The Rural Business Committee monitored the progress of the reform of the Industrial and Provident Societies Acts throughout 2019. As outlined elsewhere in this year's Annual Report, any review of the governing law will, one way or another, have an impact on how co-operatives function. The Secretary of the Committee supported James Doyle, Legal Counsel and Governance Executive of ICOS in liaising with the Department of Business, Enterprise and Innovation on the finer points of what this new legislation might look like. The Committee welcomes an updated Act and hopes the reform will continue as soon as possible upon formation of the Government and the return to normality following the COVID-19 emergency.

EUROPEAN MATTERS

The Committee liaised with the ICOS Brussels Office and Alison Graham in relation to CAP and Brexit throughout 2019. With the Secretary getting the opportunity to:

- Speak at a European Agricultural Co-operatives conference in Warsaw
- Attend a workshop on co-operative opportunities in the bioeconomy at the European Parliament in Brussels

The Committee would like to express its gratitude to Alison Graham for her expert assistance and comprehensive updates on both topics.

RENEWABLE ENERGY

Considering the increased focus on climate change and environmental matters throughout 2019, the Committee maintained renewable energy co-operatives as a key priority carried out the following tasks:

- Assisting community groups and developers in exploring the setting up of renewable energy co-operatives
- Holding a workshop on renewable energy opportunities for co-operatives at the ICOS Annual Conference
- Speaking at conferences such as the SEAI Renewable Energy Support Scheme (RESS) workshops on how the co-operative model is a ready-made fit for community energy initiatives
- Meeting with relevant Government bodies to give ICOS views on the implementation of RESS

and promoting the suitability of the co-operative for the scheme

- Liaising with Energy Co-operatives Ireland and IrBEA to put the co-operative forward as a readymade model for renewable energy generation in Ireland

CO-OPERATIVE ASSISTANCE

ICOS assisted rural business co-operatives throughout 2019 on a number of regulatory, rulebook and operational matters, a few examples of this assistance are:

- Assisting the National Federation of Group Water Schemes on their rationalisation & amalgamation strategy
- Assisting the Irish Farm Accounts Co-operative with an amendment to its rules
- Consulting with Foyle Fishermen's Co-operative with their generational renewal programme
- Advising a number of societies on share register maintenance and member relations matters
- Conducting reviews of governance structures within our small and medium sized affiliates and putting a practical plan in place to ensure best practice within the means of small organisations such as community co-operatives

ACKNOWLEDGEMENTS

The Rural Business Committee would like to thank Michael Spellman, who departed the Committee in 2019 for his valued contribution to the Committee and wish him well in his future endeavours.



ICOS Brussels Office

Alison Graham
European Affairs Executive
@ICOS_BXL



A CHANGED EU LANDSCAPE

2019 was a year of change in Brussels, and therefore a year of uncertainty and shifting regulatory landscape for farmers and co-operative businesses alike.

In May, European elections were held and returned a more politically diverse and, in many ways, more fragmented Parliament than any before it. Decision making control was taken away from the traditional powerholders, the Socialist & Democratic Party (centre left) and European Peoples Party (centre right), and greater influence instead given to the European Green Party. As a result, climate action and environmental care have been cemented in the heart of the European Parliament agenda.

This was followed in December, by a new European Commission leadership taking over the reins. The central objective of this new Commission, led by the German Christian Democrat, Ursula von der Leyen, is the delivery of a new strategy for economic growth based on the transformation of

the EU into a circular and carbon neutral economy. This strategy is known as the European Green Deal.

THE EUROPEAN GREEN DEAL

The European Green Deal was launched in December 2019 and centres around the fulfilment of the overarching objective of the EU becoming “climate neutral” by 2050. It includes the development of a number of new policies with multiple new pieces of legislation planned for 2020, which will place binding climate emissions reduction targets on Member States for the coming years.

Our co-operatives will be impacted by many of these new proposals, not only requiring them to step up action on climate change, but also to adjust to regulatory changes being proposed under the upcoming Circular Economy Action Plan, EU industrial and SMEs strategies, new EU Biodiversity Strategy and the agriculture specific “Farm to Fork Strategy for Sustainable Food”.



ICOS's Alo Duffy, Chair of the COPA COGECA Brexit Task Force, addresses EU and Global dairy industry leaders, at the 2019 International Dairy Forum, held in Warsaw, Poland in September, speaking on the impact on Brexit on European dairy markets and dairy co-operatives.

The Farm to Fork strategy will focus on promoting a reduction in on-farm inputs, on improving the nutritional composition of products as well as sustainability of packaging at processor level and promoting healthy and sustainable diets and local produce consumption amongst consumers. The development of this strategy signifies a notable change in EU political strategy, away from the traditional focus on “agricultural policy” and shifting instead towards the development of a “food policy”. In either case, ICOS, through our membership of European associations, Cogeca (The European Association of Agri-Food Co-operatives) and AEMB (European Livestock Traders Association) and together with our European colleagues, will continue to highlight the central role of co-operatives in supporting their members, farmers and rural areas, and thereby promoting a sustainable and integrated food chain.

BREXIT AND THE FUTURE EU-UK RELATIONSHIP

Of course, in the midst of this changing EU landscape, Brexit has remained a constant; though a constant source of uncertainty and concern. Thanks to numerous failed votes in the UK Parliament, exit deadline revisions, changes of leadership in the UK and even a general election, it has dominated the agenda of EU leaders throughout the year.

For ICOS too, it has remained a chief focus and through our role as chair of the Copa Cogeca Brexit Task Force, we have been maintaining a strong voice for EU agri-food businesses within the debate, meeting regularly with EU and UK officials to discuss both developments in the negotiations and the necessity of continued contingency planning in the event of no deal being reached.

As the process now moves on to discussing the future EU-UK trading relationship, ICOS will maintain its leading position in this task force. We will seek to ensure that the concerns and priorities of the agri-food sector are heard and understood in both Brussels and in the UK and will seek clarity and support for the sector as we approach another hard deadline at the end of 2020.

CAP REFORM

The focus by EU leaders on Brexit and its implications has, despite efforts to the contrary, resulted in delays in

other areas, most noticeably on discussions regarding the EU’s next multiannual budget for 2021-2027, which remains unresolved, as leaders struggle to find an agreement on how to plug the hole left by the UK and to address the economic difficulties expected as a result of the COVID-19 pandemic.

This too, has led to a delay in the discussions on the CAP post-2020 policy, which has remained in limbo over the last year. Polish Commissioner, Janusz Wojciechowski, took over the role of Commissioner for Agriculture in December and was tasked with completing the reform process, begun in 2018 by Commissioner Hogan. However, EU Agriculture Ministers in the Council, have been unable to commit to specific policy targets or tools, without knowledge of what the final budget for the policy will be. With current proposals suggesting a significant reduction in the CAP budget compared to the existing policy, while at the same time, new asks are being made of farmers in the areas of climate change and environmental care, numbers are not matching ambitions. Agriculture and Environment MEPs are also continuing to review the existing Commission’s proposals, but a vote on their position is not expected until the end of 2020.

As a result, in January 2020, the European Commission proposed transitional arrangements, which will prolong the current policy for an additional year, or more likely two years, as a stop gap solution until the new CAP package is ready to be implemented in 2022/2023.

TRADE

2019 was a difficult and turbulent year for global trade. Notably marred by the international trade disruptions led by the USA, as well as by the effective deadlock in multilateral discussions and arbitration within the World Trade Organisation, agri-food and agri-input trade bore the brunt of the highly political fall-outs.

In particular, the imposition of an additional 25% tariff on European exports to the USA, including on Irish dairy products, from October 2019 was a blow to Irish dairy co-operatives. Raising the matter in numerous meetings with the European Commission and Parliament, ICOS highlighted that the cost impact for our co-operative members was expected to be in excess of €40 million a year.

Equally, the agreement reached by the EU with the South American Mercosur Trade bloc in June 2019, created a significant challenge for the Irish beef industry and our co-operatives in this field. The agreement, reached after 20 years of negotiation, has raised persistent concerns regarding sustainability and creation of “double standards” in the regulation of food products.

ICOS continues to defend the interests of our co-operatives on these issues as they endure into 2020, and in the case of our relations with the USA, seek a resolution to the disputes, while with regard to Mercosur, seek protection for the industry against unfair competition. We also continue to promote a positive trade agenda at the highest possible levels and through our participation in Trade Civil Society Dialogues and Commission Civil Dialogues in International Aspects of Agriculture.

FOOD CHAIN

ICOS has followed the development of new EU legislation on Unfair Trading Practices in business to business relations in the food supply chain, which was adopted in April 2019. Under the terms of the directive, co-operatives are considered to be both suppliers, in terms of their relations with their customers, and buyers, in terms of their relationship with their members. In its initial development, ICOS was successful in its efforts to ensure the directive provided for the market orientated and democratic price setting procedures of Irish co-operatives and secured an exemption for bonus and supplementary payments paid by co-operatives to members.

Our focus has now turned to its transposition into national law. ICOS is engaging with the Department of Agriculture, Food and the Marine on this, in particular highlighting the importance of protecting the decision-



ICOS Dairy Committee Chair Peter Fleming and Agri Food Executive Eamonn Farrell, discussing the impact of US tariffs on the Irish dairy sector with MEP Sean Kelly.



ICOS meeting with Commissioner for Trade, Phil Hogan. Commissioner Hogan's success in securing the role of Commissioner for Trade to was greatly welcomed by ICOS and the Irish agri-food community, and will allow Ireland's agricultural priorities to continue to be front and centre in the context of negotiations with the UK, USA and other international trade partners.



ICOS European Affairs Executive, Alison Graham, was invited by Dairy Australia to speak at the Trans-Tasman Dairy Leaders Forum; a forum for the leaders of Australian and New Zealand dairy processing companies, which took place on 6th May in Melbourne. The forum covered a wide scope of topics including the changing global dairy landscape, regulatory challenges and international trade flows and global market disturbances.

making structure of co-operatives, and seeking an expansion of its scope, so that its terms be applied to all businesses, regardless of size. We are additionally calling for a new independent enforcement authority to be created to implement directive, headed by an Ombudsman office, who would have the responsibility of proactively promoting fair trading and fair prices in the food supply chain.

Supplementary to this directive, the European Commission adopted new rules on price reporting in the food supply chain in September 2019, with

the aim of increasing market and price transparency across different stages of the chain. A key concern for ICOS, regarding the tightening of the deadline for the reporting of raw milk prices, unfeasible for Irish dairy co-operatives due to their price setting structures, was addressed within the adopted text. There are still concerns about the potential impact of the measures and therefore ICOS will continue to pay close attention to the situation following the introduction of the measures in January 2021 to ensure the objective of the regulation, to improve the position of farmers in the food supply chain, is achieved and not hindered.

CO-OPERATIVES ISSUES

ICOS, through both Cogeca and the AEMB, and together with other EU livestock food chain partners, launched a campaign to tackle the myths and misinformation around livestock production, called #MeatTheFacts. The campaign uses scientific and academic publications to debunk myths on animal health and welfare in the EU and highlight the importance of livestock for the environment and the contribution of livestock farming to rural communities. The campaign can be viewed at: www.meatthefacts.eu



Kate Carmody, from the Irish Hemp Co-operative and Enda Buckley, from Carbery Group, presented to EU officials at a European Commission DG Agriculture workshop on “The Role of Co-operatives for Mainstreaming the Bioeconomy”, in June 2019.



Together with our European Co-operative Colleagues, we launched the campaign, “17 Reasons to Co-op”, on 6th July, to mark the 2019 International day of co-operatives. The aim of the

campaign is to highlight and explain how co-operatives are working to bring economic, social and environmental results to benefit their members, rural communities, consumers and societies. The campaign can be viewed at: www.17reasons2coop.eu



Donal Slattery, FRS Network, addresses the Cogeca Presidency Co-operative Business Forum, titled "Agri food and forest co-operatives: tools to achieve economic, social and environmental goals", in November 2019, outlining how his co-operative is helping to improve farmers standards of living and wellbeing and thereby contribute to the fulfilment of the UN 2030 Sustainable Development Goals.

ICOS REPRESENTATION WITHIN EU INSTITUTIONS

ICOS participates in a wide range of stakeholder discussion fora on an EU level, including:

EU Consultative Bodies

European Commission Civil Dialogue Group on Milk and Dairy Products, Peter Fleming

European Commission Civil Dialogue Group on Trade and International Aspects of Agriculture, Alison Graham

European Commission Civil Dialogue Group on the Common Agricultural Policy, James O'Donnell

European Commission Animal Welfare Stakeholders' Platform, Ray Doyle

Economic Board of the European Milk Market Observatory, Eamonn Farrell

European Network for Rural Development, James O'Donnell

European Association Fora

COGECA (European Association of Agri-Cooperatives) Praesidia, Jerry Long & TJ Flanagan

AEMB (European Association of Livestock Markets) Praesidia, Liam Williams & Ray Doyle

COPA COGECA, Brexit Task Force, Alo Duffy (Chair)

COPA COGECA Farm to Fork Task Force, Alison Graham

COPA COGECA, Co-operative Coordination Committee & Policy Coordination Committee, Alison Graham

COPA COGECA, Tax and Legal Questions, James Doyle

COPA COGECA, Dairy, Eamonn Farrell & Peter Fleming

COPA COGECA, CAP & Rural Development, James O'Donnell

COPA COGECA, International Trade, Alison Graham

COPA COGECA, Animal Health & Welfare, Alison Graham

COPA COGECA, Environment, Alison Graham

COPA COGECA, Food Chain, Alison Graham

COPA COGECA, Foodstuffs, Alison Graham

Member Development



PLUNKETT AWARD FOR CO-OPERATIVE ENDEAVOUR

The Plunkett Award is the premier honorary award made by ICOS annually. Chosen from a shortlist of distinguished nominees, it is presented to just one individual each year who is regarded as having made an outstanding lifelong contribution to the co-operative movement in Ireland.

In December 2019, the Award was presented to Brendan O'Mahony, former Chair and current director for over two decades in the National Federation of Group Water Schemes, by ICOS President Jerry Long in a ceremony held in the Plunkett House.

Brendan made a truly outstanding contribution, on a local and a national level, working selflessly to improve the lives of everyday people through the establishment, growth and development of Group Water Schemes and a lifelong commitment to rural communities and co-operative enterprise.

While investment in the provision of clean and sustainable water has proven controversial in Ireland over recent years, there has been huge and silent movement of over 80,000 rural dwellers, often forgotten by the authorities, who were getting on with their business, running their own group water schemes, serving their rural communities and embracing all that is good in the co-operative movement.

Brendan made an extraordinary contribution over his lifelong career to date, demonstrating a forthright and dynamic capability to energise change and development for the greater good of rural communities throughout Ireland. In doing so, he has upheld the vision and aims of co-operation as a key driver of community and economic progress, locally, regionally and nationally across Ireland.

Brendan served on the board of the National Federation of Group Water Schemes (NFGWS) since it was established in February 1997, almost 23 years ago. The federation has been a member of ICOS since it formed a co-operative in 1999.

The organisation is the representative body for the group water scheme sector, providing advice and information, training as well as promoting best practice in GWS governance using the co-operative structure. The organisation grew under Brendan's stewardship, with now over 400 group water scheme affiliate members in 2017, the vast majority of which are co-operative entities themselves.

Brendan was one of the founding members of the Cross GWS in Co. Mayo, now the Cross GWS Co-operative Society Limited, of which he is an active member and shareholder. He acted as secretary of the original GWS from when it was established in the mid 70's and actively encouraged the scheme to form a co-operative in 2007.

He has served as a board member of the National Federation of Group Water Schemes since 1997. He was appointed by the Board as Joint Treasurer in his first year and then as Chairperson of the organisation in 2002.

Mr. O'Mahony has been an active member of the IFA for many years and has served in five different executive positions since 1993. He served both as County Secretary and Chairperson to Mayo IFA. He served 4 years as an active member of the IFA National Council and was then elected Vice-President of the IFA Connacht region, serving a full term of 4 years. This was followed by a term on the IFA Rules and Privilege committee. He continues to be a member of the IFA and is an active beef and sheep farmer in Co. Mayo and is still involved in a number of local agricultural co-operatives.

During his tenure in these positions with the IFA, he was a member of a large number of committees and stakeholder groups representing the interests of Irish farmers particularly with a focus on the challenges faced by farmers in the West of Ireland. These include the National Rural Water Services Committee which he was an active member until the committee was replaced by the National Water Forum in 2017, but also on 2 regional fishery Boards, the Western Regional Fishery Board in Galway and the North Western Regional Fishery Board in Ballina. Brendan was also instrumental in the dissolving of these Boards and the establishment of the newly formed 'Inland Fisheries Ireland' which he chaired from 2010 – 2015.

ICOS National Conference

The 43rd ICOS National Conference took place in the Killashee House Hotel, Naas on Thursday, 7th November 2019. The conference, supported by the FBD Trust, focussed on the topic: *“Climate Change and Animal Welfare - Opportunities for Co-ops”*

The proceedings were ably chaired by Jonathan Healy, and he guided the participants, using the technology of Slido, through an excellent programme of expert speakers, who set out the challenges posed by our environmental and animal welfare commitments, as well as prompting the audience to see them as opportunities.

Gerry Boyle of Teagasc, Bill Callanan of the Department of Agriculture, Food and the Marine, and Alan Jagoe of Agri Aware focussed on the challenges, while mindful of the positives which currently exist on Irish farms.

The Conference then broke into three separate workshop strands focussing on; Animal Welfare, Renewable energy and the Bioeconomy, and CAP Eco Schemes.

Before the plenary session in the evening, there was a panel discussion, marking the 125th anniversary of the foundation of the co-operative movement in Ireland, and emphasising the ongoing relevance of the model in Irish agriculture and the bio economy.





Year in Review 2019







ICoS Learning 2019 in Review

Yet another successful year in representing



In 2019, ICoS Skillnet was successful in achieving funding to support the co-operative sector with their training needs.

The network has continued to achieve very significant impact throughout 2019 in terms of its design and delivery of business focused training for our members and their employees.

LEADFARM PROJECT



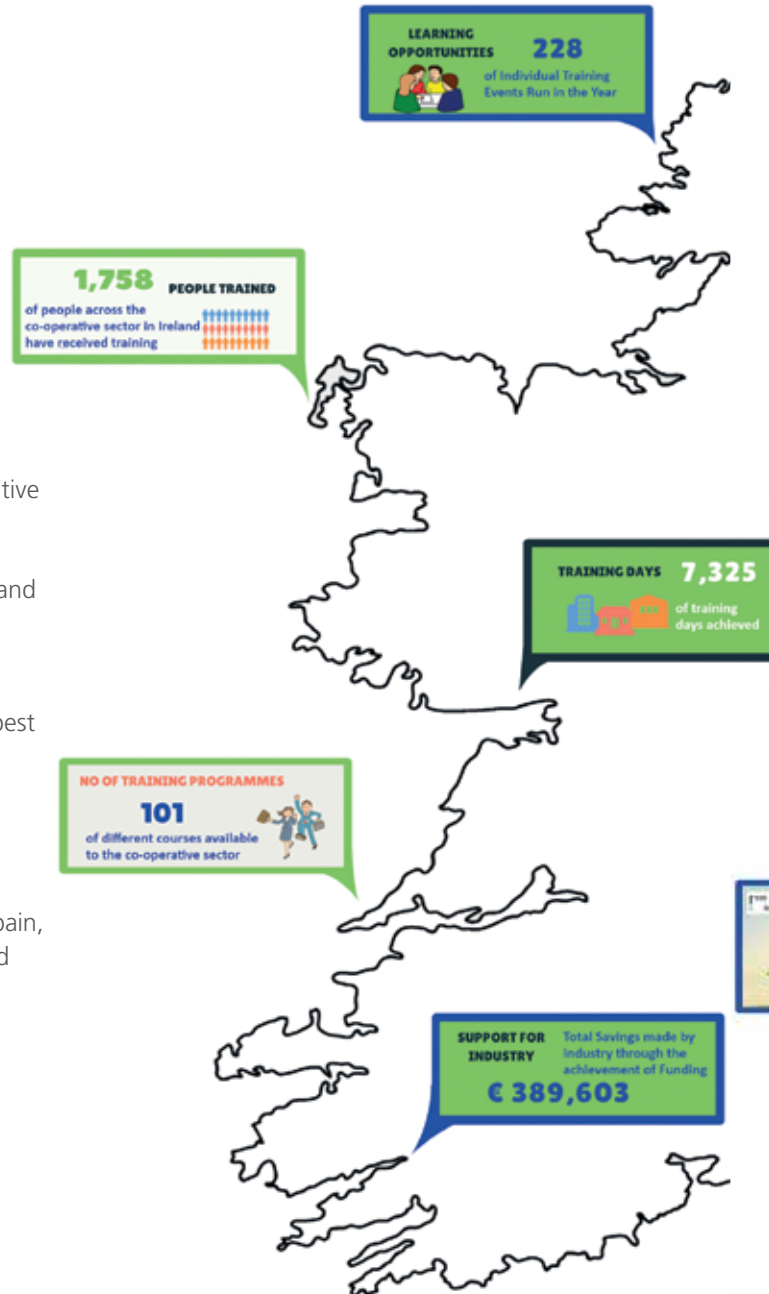
The LeadFarm project which focussed on gender and generational renewal came to a conclusion in 2019 with 100 delegates from five (5)

European countries attending the final conference.

The LeadFarm project aimed to promote co-operative culture and values to provide a better understanding of the co-operative to the young farmers increasing their Level of involvement and commitment in co-operatives. Furthermore, it aimed to Strengthen the Business Skills to develop the farmer's career and their farm businesses.

In addition, this project reviewed the communications and engagement structures with young Farmers to establish the best way to engage with young farmers.

The project saw the development of three (3) training programmes, six (6) Learning games and an online learning platform. Additionally, it allowed for the exchange of best practice through mobilities whereby 25 young farmers from Spain, Ireland, France and Latvia shared their learning experiences and best practices in study visits to Spain and France.



& Development

and acting on behalf of our co-operative members



SUPPORTING CO-OPERATIVES TO IMPACT ON NATIONAL STRATEGY

We have worked tirelessly to ensure the effective representation of our members at Policy Level, with specific emphasis in the Workforce and Talent Development arena, supporting the “Future World of Work” agenda at National Level.

EUROPEAN PROJECTS

Erasmus Plus Projects:  Erasmus+

TOTCOOP+I_Tech PROJECT

TOTCOOP+i ICOS Learning & Development along with six (6) EU partner countries, was successful in achieving funding for the “ToTCOOP+i_Tech” project. Countries involved in the project include, Ireland, Latvia, Italy, Poland, Spain and Sweden.

The ToTCOOP+i_Tech project aims to transform the current offer of continuing vocational training in the co-operative sector at EU level into exceptional training based on the use of technology and in the new models of the digital era. Furthermore, it aims to strengthen the capabilities of business administration of the board of directors, members from agri-food co-operatives, through their direct involvement in the training process.



ICOS Pensions

ICOS Ltd is the registered administrator for two group industry-wide defined benefit pension schemes – the Irish Co-operative Societies' Pension Scheme and the Dairy Executives' Pension Fund, covering 30 contributing co-operatives. Aggregated statistical highlights from the most recent year-end annual reports reflect:

- Membership of the two schemes comprises 560 current employees in membership, over one thousand former (deferred) employees, and in excess of 1,200 pensioners and dependents in receipt of pensions
- Regular contributions paid in by employees was €1.1 million
- Regular employer contributions came to €2.5 million
- Assets under professional management amounted to over €190 million (invested in global equities, international government and corporate bonds, commercial property and cash)
- Annual pension payroll for co-operative retirees and spouses/dependants of deceased co-operative employees came to approx. €5 million
- Lump sums paid to new pensioners and dependants of deceased members totalled just over €1.9 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.


560
Current
Employees in
Membership

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. Additional executive support in the operation of the schemes is provided from managerial, financial and secretarial resources within ICOS. Non-executive resources towards trustee committees are drawn from co-operative boards, executive staff and scheme memberships.

In year-to-date ICOS pensions administered approximately 100 new retirement/deaths; answered enquiries from several hundred former members; and responded to third party enquiries such as pension brokers and solicitors. ICOS also provided contribution and year-end reports for participating co-operatives and managed the other professional inputs into the schemes from actuaries, investment firms, insurers, legal advisors and audit services.

Both schemes satisfied their statutory funding standard requirements in 2019.

COVID-19 is likely to have a vast and enduring impact on financial markets and the global economy. It is unknown what long-term implications the pandemic will have on defined benefit pension schemes and their sponsors as uncertainty pervades all activities.

Assets under
professional
management
amounted to
€190
million

ICOS Representation

| | |
|--|--|
| Plunkett Institute | |
| Jerry Long | President – ICOS Ltd |
| James O'Donnell | Vice President-ICOS Ltd |
| TJ Flanagan | CEO – ICOS Ltd |
| Alo Duffy | Board Member – ICOS Ltd |
| Eamonn Looney | Dairygold Co-operative Society Ltd |
| Mary McCarthy-Buckley | University College Cork |
| Dairy Forum | Tillage Forum |
| Jerry Long TJ Flanagan Eamonn Farrell | TJ Flanagan Ray Doyle |
| Beef Forum | |
| Ray Doyle | |
| Milk Quality Ireland Co-operative Society Limited | |
| Jerry Long | Drombane Co-operative Society Ltd |
| Jerry Cronin | Glanbia Ireland |
| Hugh Holland | Barryroe CA & DS Ltd |
| Pat Dillon | Teagasc |
| Seamus Goggin | Technical Representative |
| Edmond Harty | Dairymaster |
| Kevin McCabe | Lakeland Dairies Co-operative Society Ltd |
| John Upton | Teagasc |
| Willie Ryan | Dairygold Co-operative Society Ltd |
| Brian Aherne | Fullwood Packo |
| Sean Reid | Technician |
| Tom Ryan | Teagasc |
| James O'Connell | Kerry Agribusiness |
| Irish Foundation for Co-operative Development | |
| TJ Flanagan | CEO – ICOS Ltd |
| James O'Donnell | IFAC Ltd |
| Alo Duffy | Lakeland Dairies Co-operative Society Ltd |
| Jim Russell | Centenary Thurles Co-operative Society Ltd |
| Golden Jubilee Trust Ltd | |
| Jerry Long | ICOS Ltd |
| James O'Donnell | ICOS Ltd |
| Liam Williams | ICOS Ltd |
| Sean Brady | Consultant |
| Noel Cawley | Chairman – Teagasc |
| Siobhán Collier | Partner – PWC |
| Irish Co-operative Societies Pensions Scheme | Dairy Executives Pension Scheme |
| TJ Flanagan Jerry Long John O'Gorman Vacancy | Brian O'Dowd |
| Ornua Co-operative Society Ltd | |
| Teagasc | |
| Pat Duffy | |
| Irish Farm Accounts Co-operative Society Ltd | |
| National Dairy Council | |
| James O'Donnell | |
| National Milk Agency | |
| National Economic & Social Council (NESC) | |
| TJ Flanagan | |
| TJ Flanagan | |
| Farmers Charter | |
| James O'Donnell | |



ICOS BOARD

| | |
|---------------------------------------|--|
| Jerry Long President | Drombane Co-operative Society Limited |
| James O'Donnell Vice President | NCFRS Ltd |
| Edward Carr | Arrabawn Co-operative Society Ltd |
| Pat Duffy | Aurivo Co-operative Society Ltd |
| Jim Russell | Centenary Thurles Co-operative Society Ltd |
| Liam Williams | Clare Marts Ltd |
| John O'Riordan | Cork Co-operative Marts Ltd |
| John O'Gorman | Dairygold Co-operative Society Ltd |
| Patsy Ahern | Glanbia Co-operative Society Ltd |
| Martin Crowe | Kerry Co-operative Creameries Ltd |
| Alo Duffy | Lakeland Dairies Ltd |
| Peter Fleming | Ornuia Co-operative Society Ltd |
| Willie Meagher | Tipperary Co-operative Creamery Ltd |

ICOS DAIRY COMMITTEE

| | |
|----------------------------|--|
| Peter Fleming Chair | Ornuia Co-operative Ltd |
| Edward Carr | Arrabawn Co-operative Society Ltd |
| Pat Duffy | Aurivo Co-operative Society Ltd |
| John O'Sullivan | Bandon CA & DS Ltd |
| Dominic Cronin | Boherbue Co-operative Creamery Ltd |
| Jim Russell | Centenary Thurles Co-operative Society Ltd |
| John O'Gorman | Dairygold Co-operative Society Ltd |
| Michéal Leahy | Drinagh Co-operative Society Ltd |
| Jerry Long | Drombane Co-operative Society Ltd |
| Patsy Ahern | Glanbia Co-operative Society Ltd |
| Martin Crowe | Kerry Co-operative Creameries |
| Alo Duffy | Lakeland Dairies Co-operative Society Ltd |
| Ky Vaughan | Mullinahone Dairy Co-operative Society Ltd |
| Jerry Doody | North Cork Co-operative Creameries Ltd |
| William Meagher | Tipperary Co-operative Creamery Ltd |

ICOS MARTS COMMITTEE

| Liam Williams Chair | Clare Marts Ltd |
|----------------------------|--|
| Raymond Barlow | Aurivo Co-operative Society Ltd |
| Sean Brosnan | Castleisland Co-operative Society Ltd |
| Gerard Darcy | Central Auctions Services Co-operative Society Ltd |
| John O’Riordan | Cork Marts Ltd |
| James Kane | Golden Vale Mart Ltd |
| Charlie Doherty | Inishowen Co-operative Society Ltd |
| Tim O’Connell | Kanturk Co-operative Mart Ltd |
| Noel Moore | Kilkenny Co-operative Livestock Mart Ltd |
| Francis Burke | Mid-Tipperary Co-operative Livestock Mart Ltd |
| Gerry Hoade | Tuam Co-operative Livestock Mart Ltd |
| VACANT | |
| VACANT | |

ICOS RURAL BUSINESS COMMITTEE

| James O’Donnell Chair | NCFRS Ltd |
|------------------------------|---|
| Dominic Cronin | Boherbue Co-operative Creamery Ltd |
| Sean Brosnan | Castleisland Co-operative Society Ltd |
| Liam Williams | Clare Marts Ltd |
| Bert Stewart | Commercial Mushroom Producers Ltd |
| Micheál Leahy | Drinagh Co-operative Society Ltd |
| Teddy Cashman | IFAC Ltd |
| Brendan Lawlor | IFAC Ltd |
| Francis Burke | Mid-Tipperary Co-operative Livestock Mart Ltd |
| Hugh O’Reilly | NFGWS Ltd |
| Andy Boylan | Sicín Co-operative Society Ltd |
| Willie Meagher | Tipperary Co-operative Creamery Ltd |

Irish Co-operative Organisation Society Limited

STATEMENT OF THE SOCIETY'S AND THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts 1893 to 2018 requires the Board to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and applicable law.

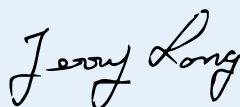
The Society's financial statements are required by law to give a true and fair view of the state of affairs of the Society and of its surplus/deficit for that year. In preparing the financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

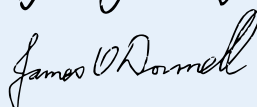
The Board is responsible for keeping adequate accounting records which enable them to prepare financial statements of the Society in accordance with the requirements of the Industrial and Provident Societies Act 1893 to 2018. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities. The Board is also responsible for preparing the Annual Report that complies with the requirements of the Industrial and Provident Societies Act 1893 to 2018.

On behalf of the Board

President: Jerry Long



Vice President: James O'Donnell



Secretary: TJ Flanagan





Irish Co-operative Organisation Society Limited INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Irish Co-operative Organisation Society Limited ("the Society") for the year ended 31 December 2019, which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of affairs of the Society as at 31 December 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Board is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the statement of the Society's and the Board's Responsibilities. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



Irish Co-operative Organisation Society Limited INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED CONTINUED

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Our conclusions on the other matter on which we are required to report by the Industrial and Provident Societies Act 1893 to 2018 is set out below

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

Respective responsibilities and restrictions on use

Responsibilities of Boards for the financial statements

As explained more fully in the Board's responsibilities statement, the Board is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

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

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

Colm O'Sé
for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place
St. Stephen's Green
Dublin 2, Ireland

12th May 2020

Irish Co-operative Organisation Society Limited

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

| | Note | 2019 € | 2018 € |
|--|------|--------------------|-----------|
| Turnover | 2 | 1,929,728 | 1,894,491 |
| Payroll costs | 3 | (1,080,346) | (990,479) |
| Travel and services | 3 | (376,626) | (364,724) |
| Other overheads | 3 | (346,994) | (324,953) |
| Finance costs | 3 | (1,416) | (1,597) |
| | | ————— | ————— |
| Surplus for the year before state grant, revaluation and taxation | | 124,346 | 212,738 |
| State grant | | 12,000 | 12,000 |
| | | ————— | ————— |
| Surplus on ordinary activities before taxation | | 136,346 | 224,738 |
| Taxation | 4 | (15,534) | (26,338) |
| | | ————— | ————— |
| Surplus for the year | | 120,812 | 198,400 |
| | | ===== | ===== |
| Other comprehensive income | | | |
| Revaluation of art work | 5 | 18,000 | - |
| Deferred taxation on revaluation of art work | 4 | (5,940) | - |
| | | ————— | ————— |
| Total comprehensive income | | 132,872 | 198,400 |
| | | ===== | ===== |

All income and expenditure arises solely from continuing operations.

Irish Co-operative Organisation Society Limited

BALANCE SHEET

for the year ended 31 December 2019

| | Note | 2019 | 2018 |
|--|------|------------------|------------------|
| | | € | € |
| Fixed assets | | | |
| Tangible assets | 5 | 87,061 | 64,510 |
| Intangible assets | 6 | 12,728 | - |
| | | <u>99,789</u> | <u>64,510</u> |
| Current assets | | | |
| Bank balances and cash | | 1,313,650 | 1,361,135 |
| Debtors | 7 | 230,658 | 204,348 |
| | | <u>1,544,308</u> | <u>1,565,483</u> |
| Creditors: amounts falling due within one year | 8 | (304,422) | (354,797) |
| | | <u>1,239,886</u> | <u>1,210,686</u> |
| Total assets less current liabilities | | 1,339,675 | 1,275,196 |
| Creditors: amounts falling due after more than one year | 9 | - | (74,725) |
| Provisions for liabilities | 10 | (18,626) | (12,294) |
| | | <u>1,321,049</u> | <u>1,188,177</u> |
| Capital employed | | | |
| Share capital | 12 | 134 | 134 |
| General revenue account surplus | | 1,320,915 | 1,188,043 |
| | | <u>1,321,049</u> | <u>1,188,177</u> |
| Members' funds | | 1,321,049 | 1,188,177 |

On behalf of the Board

President: Jerry Long
Vice President: James O'Donnell
Secretary: TJ Flanagan

Jerry Long
James O'Donnell
Thomas Flanagan

23 April 2020
 23 April 2020
 23 April 2020

Irish Co-operative Organisation Society Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

| | Called up share capital | General revenue account | Total |
|---|----------------------------|-------------------------------|------------------|
| | € | € | € |
| Balance at 1 January 2018 | 134 | 989,643 | 989,777 |
| Total comprehensive income for the year | | | |
| Surplus for the year | - | 198,400 | 198,400 |
| | ----- | ----- | ----- |
| Total comprehensive income for the year | - | 198,400 | 198,400 |
| | ----- | ----- | ----- |
| Balance at 31 December 2018 | 134 | 1,188,043 | 1,188,177 |
| | ===== | ===== | ===== |
| Balance at 1 January 2019 | 134 | 1,188,043 | 1,188,177 |
| Total comprehensive income for the year | | | |
| Surplus for the year | - | 120,812 | 120,812 |
| Revaluation of art work | - | 18,000 | 18,000 |
| Deferred taxation on revaluation of art work | - | (5,940) | (5,940) |
| | ----- | ----- | ----- |
| Total comprehensive income for the year | - | 132,872 | 132,872 |
| | ----- | ----- | ----- |
| Balance at 31 December 2019 | 134 | 1,320,915 | 1,321,049 |
| | ===== | ===== | ===== |

Irish Co-operative Organisation Society Limited

CASH FLOW STATEMENT

for the year ended 31 December 2019

| | 2019 € | 2018 € |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| Surplus for the year | 120,812 | 198,400 |
| Adjustments for: | | |
| Depreciation and amortisation | 9,650 | 12,496 |
| Interest payable and similar charges | 1,416 | 1,597 |
| Taxation | 15,534 | 26,338 |
| | <hr/> 147,412 | <hr/> 238,831 |
| Increase in trade and other debtors | (37,462) | (18,469) |
| Decrease in trade and other creditors | (126,133) | 47,817 |
| | <hr/> (16,183) | <hr/> 268,179 |
| Tax paid | (2,956) | (29,394) |
| | <hr/> (19,139) | <hr/> 238,785 |
| Net cash from operating activities | (19,139) | 238,785 |
| Cash flows from investing activities | | |
| Acquisition of tangible and intangible fixed assets | (26,930) | (10,385) |
| | <hr/> (26,930) | <hr/> (10,385) |
| Net cash from investing activities | (26,930) | (10,385) |
| Cash flows from financing activities | | |
| Interest paid | (1,416) | (1,597) |
| | <hr/> (1,416) | <hr/> (1,597) |
| Net cash from financing activities | (1,416) | (1,597) |
| Net (decrease)/increase in cash and cash equivalents | (47,485) | 226,803 |
| Cash and cash equivalents at beginning of year | 1,361,135 | 1,134,332 |
| Cash and cash equivalents at end of year | 1,313,650 | 1,361,135 |

Irish Co-operative Organisation Society Limited

NOTES

forming part of the financial statements

1 Accounting policies

1.1 Basis of preparation and measurement convention

The financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"), and Irish statute comprising the Industrial Provident Societies Acts, 1893 to 2018 under the historical cost convention, except that certain art work is held at fair value.

1.2 Going concern

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 Board has prepared and approved financial and cash flow projections for the Society for the period up to 31 December 2021. On that basis, the Board considers that the Society will generate sufficient cash so as to allow the Society to continue in operational existence for the foreseeable future and has prepared the financial statements on a going concern basis.

1.3 Societies' contributions

Contributions from societies are recognised in profit or loss in the year in which such contributions are received and arrears are not included at the year end.

1.4 Other income

Income, other than Societies' contributions, represents the value of services supplied to external customers. Such income is recognised in profit or loss when the relevant services are provided.

1.5 Fixed assets

Fixed assets, other than art work, are stated at cost or deemed 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. 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 |

Art work is stated at its fair value, the last valuation was carried out by an independent valuer in 2019.

Depreciation is not provided on art work, in the opinion of the Board, the residual value of such works is not less than their cost.

Gains on revaluation are recognised in other comprehensive income and accumulated in equity. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Irish Co-operative Organisation Society Limited

NOTES

forming part of the financial statements (continued)

1 Accounting policies (continued)

1.5 Fixed assets (continued)

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

1.6 Retirement benefits

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

1.7 Taxation

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, is using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

| | 2019 | 2018 |
|---|------------------|------------------|
| | € | € |
| Societies' contributions received | 1,118,551 | 1,260,770 |
| Other income and management recharges | 106,496 | 107,937 |
| Seminars, training and education | 511,929 | 488,478 |
| Grants and management recharges received from The Golden Jubilee Trust Fund | 50,000 | - |
| Other Income – Erasmus | 37,902 | 37,306 |
| Other income – BEEP | 104,850 | - |
| | <u>1,929,728</u> | <u>1,894,491</u> |

Irish Co-operative Organisation Society Limited

NOTES (CONTINUED)

| 3 Expenditure | 2019 | 2018 |
|--|------------------|---------|
| | € | € |
| Payroll | | |
| Salaries and state insurance | 1,006,595 | 922,067 |
| Pension cost | 73,751 | 68,412 |
| | ————— | ————— |
| | 1,080,346 | 990,479 |
| | ===== | ===== |
| Travel and services | | |
| Travel expenses | 215,476 | 258,322 |
| Public relations, education and training | 127,316 | 72,870 |
| Postage and telecommunications | 24,622 | 22,367 |
| Printing and stationery | 9,212 | 11,165 |
| | ————— | ————— |
| | 376,626 | 364,724 |
| | ===== | ===== |
| Overheads | | |
| Rent, rates, light, insurance and household expenses | 126,285 | 123,177 |
| Subscriptions | 48,170 | 47,066 |
| Professional fees | 54,567 | 46,846 |
| Maintenance and repairs | 23,465 | 27,708 |
| Depreciation of fixed assets | 9,650 | 12,497 |
| Plunkett Institute | 3,382 | 925 |
| Miscellaneous expenses | 56,143 | 65,428 |
| Erasmus expenditure | 25,332 | 1,306 |
| | ————— | ————— |
| | 346,994 | 324,953 |
| | ===== | ===== |
| Finance costs | | |
| Interest and charges | 1,416 | 1,597 |
| | ————— | ————— |
| | 1,416 | 1,597 |
| | ===== | ===== |

Irish Co-operative Organisation Society Limited

NOTES (CONTINUED)

| 4 Taxation | 2019 | 2018 |
|--|---------------|--------|
| | € | € |
| Current tax | | |
| Irish corporation tax charge on surplus for the year | 15,142 | 14,044 |
| Deferred tax | | |
| Origination and reversal of tax differences | 392 | 12,549 |
| Recognition of previously unrecognised deferred tax | - | (255) |
| | ----- | ----- |
| Total deferred tax | 392 | 12,294 |
| | ----- | ----- |
| Total tax charge for the year | 15,534 | 26,338 |
| | ===== | ===== |
| Deferred tax recognised directly in equity | 5,940 | - |
| | ===== | ===== |

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:

| | 2019 | 2018 |
|--|----------------|---------|
| | € | € |
| Surplus for the year | 120,812 | 198,400 |
| Total tax charge | 15,534 | 26,338 |
| | ----- | ----- |
| Surplus excluding tax | 136,346 | 224,738 |
| | ===== | ===== |
| Surplus for year multiplied by the average rate of Irish corporation tax for the year of 12.5% | 17,043 | 28,092 |
| Effect of: | | |
| Non-taxable grant income | (1,500) | (1,500) |
| Income taxed at higher rate | 15 | 1 |
| Expenses not deductible | (31) | - |
| Other | 7 | - |
| Recognition of previously unrecognised deferred tax | - | (255) |
| | ----- | ----- |
| Total tax expense for the year | 15,534 | 26,338 |
| | ===== | ===== |

All current tax is recorded in the income and expenditure account.

Irish Co-operative Organisation Society Limited

NOTES (CONTINUED)

4 Taxation (Continued)

Analysis of deferred tax assets/
(liabilities):

| | 1 January 2018 | Recognised in profit and loss account | 31 December 2018 | Recognised in profit and loss account | Recognised in equity | 31 December 2019 |
|--------------------|-------------------|---|------------------------|---|-------------------------|------------------------|
| | € | € | € | € | € | € |
| Artwork | (15,675) | - | (15,675) | - | (5,940) | (21,615) |
| Other fixed assets | 2,854 | 333 | 3,187 | (392) | - | 2,795 |
| Other | 12,821 | (12,627) | 194 | - | - | 194 |
| | - | (12,294) | (12,294) | (392) | (5,940) | (18,626) |

Deferred tax assets of €Nil (2018: €Nil) have not been recognised.

5 Fixed assets

| | Furniture, fittings and equipment | Computer equipment | Art work | Total |
|---------------------------------|---|-----------------------|---------------|----------------|
| | € | € | € | € |
| Cost/valuation | | | | |
| At 31 December 2018 | 42,107 | 128,723 | 47,500 | 218,330 |
| Additions | 280 | 13,770 | - | 14,050 |
| Revaluation | - | - | 18,000 | 18,000 |
| | 42,387 | 142,493 | 65,500 | 250,380 |
| Accumulated depreciation | | | | |
| At 31 December 2018 | 37,294 | 116,526 | - | 153,820 |
| Charge for year | 619 | 8,880 | - | 9,499 |
| At 31 December 2019 | 37,913 | 125,406 | - | 163,319 |
| Net book amounts | | | | |
| At 31 December 2019 | 4,474 | 17,087 | 65,500 | 87,061 |
| At 31 December 2018 | 4,813 | 12,197 | 47,500 | 64,510 |

Irish Co-operative Organisation Society Limited

NOTES (CONTINUED)

| 6 Intangible asset | Software | |
|---|-----------------|---------------|
| | € | |
| Cost | | |
| At 1 January 2019 | | - |
| Additions | | 12,880 |
| | | <hr/> |
| At 31 December 2019 | | 12,880 |
| | | <hr/> <hr/> |
| Amortisation | | |
| At 1 January 2019 | | - |
| Charge for the year | | 152 |
| | | <hr/> |
| At 31 December 2019 | | 152 |
| | | <hr/> <hr/> |
| Net book value | | |
| 31 December 2019 | | 12,728 |
| | | <hr/> <hr/> |
| 31 December 2018 | | - |
| | | <hr/> <hr/> |
| 7 Debtors | 2019 | 2018 |
| | € | € |
| Trade debtors | 31,622 | 8,636 |
| Prepayments and other debtors | 17,453 | 24,956 |
| Corporation tax | - | 11,152 |
| Amounts due from related parties: | | |
| ICOS Skillnet project | 76,955 | 47,132 |
| Golden Jubilee Trust Fund | 20,150 | 27,994 |
| Irish Co-operative Societies Pension Scheme | 75,910 | 75,910 |
| Dairy Executives Pension Scheme | 8,568 | 8,568 |
| | <hr/> | <hr/> |
| | 230,658 | 204,348 |
| | <hr/> <hr/> | <hr/> <hr/> |

Irish Co-operative Organisation Society Limited

NOTES (CONTINUED)

| | | |
|--|----------------|---------|
| 8 Creditors: amounts falling due within one year | 2019 | 2018 |
| | € | € |
| Creditors and accruals | 193,561 | 209,591 |
| PAYE | 28,983 | 25,870 |
| VAT | 6,118 | 3,447 |
| Corporation tax | 1,034 | - |
| Deferred income – Erasmus (note 12) | 30,849 | 32,995 |
| Other creditors | 43,877 | 82,894 |
| | _____ | _____ |
| | 304,422 | 354,797 |
| | ===== | ===== |
| 9 Creditors: amounts falling due after more than one year | 2019 | 2018 |
| | € | € |
| Deferred income – Erasmus (note 12) | - | 30,848 |
| Other creditors | - | 43,877 |
| | _____ | _____ |
| | - | 74,725 |
| | ===== | ===== |
| 10 Provisions for liabilities | 2019 | 2018 |
| | € | € |
| Deferred tax liability (note 4) | 18,626 | 12,294 |
| | ===== | ===== |

11 Retirement benefits

The Society's contributions to the defined contribution pension scheme are charged to the income and expenditure accounts as incurred and amounted to €73,751 (2018: €68,413) in the year.

12 Share capital Number

| | | |
|---------------------|---------------|------------|
| | Number | € |
| At 31 December 2019 | 134 | 134 |
| | ===== | ===== |

There was no change in the number of affiliates at year end.

Irish Co-operative Organisation Society Limited

NOTES (CONTINUED)

13 Deferred Income

In October 2018, the Society received an additional grant as part of the Erasmus+ programme, a project which will run from 1 October 2018 to 30 September 2020.

The Society has recognised deferred income of €30,849, which will be recognised in 2020.

14 Related parties

Transactions with key management personnel

Total compensation of key management personnel (including the Board) in the year amounted to €257,952 (2018: €245,674).

15 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In the opinion of the Board, there are no sources of estimation uncertainty which may cause material adjustment to the financial statements going forward.

16 Post balance sheet events

The Board notes the ongoing impact of the COVID-19 pandemic on the Society's members and wider sectors they represent. The Society is seeking to support its members as they deal with the various impacts of this crisis on their organisations. The Society itself has significant positive cash reserves and is in a position to discharge all obligations as they fall due. The Board, having reviewed the position, believes that the organisation is adequately funded to withstand any impacts on its cashflows or otherwise.

17 Approval of financial statements

The Board approved the financial statements on 23 April 2020.

CO-OPERATIVE STATISTICS: DAIRY CO-OPERATIVE STATISTICS

| Dairy Co-operative Societies and Associated Trading Entities 2018 | | Balance sheet €'000 | | | | | | | | | | | | |
|---|--|-----------------------------|---------------------------|----------------|--------------------------------|----------------------------------|-----------------------|---------------------------------------|------------------------------|---|----------------|---------------------|--|--|
| Society | Members | Employees (inc part / time) | Trading performance €'000 | | | | Assets employed | | | | Financed by | | | |
| | | | 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 | Arrabawn Co-operative Society Ltd | 402 | 271,165 | 6,861 | 44 | 0.02% | 55,970 | 74,258 | 51,423 | 20,874 | 1,961 | 40.59% | | |
| 2 | Bandon CA&DS Ltd | 353 | 163,712 | 9,680 | 7,727 | 4.72% | 13,673 | 93,666 | 91,027 | 608 | 2,031 | 0.67% | | |
| 3 | Barryroe Co-operative Ltd | 333 | 136,588 | 7,898 | 5,731 | 4.20% | 20,646 | 115,685 | 105,503 | 7,257 | 2,925 | 6.88% | | |
| 4 | Boherbue CA&DS Ltd | 46 | 22,274 | -399 | -658 | -2.95% | 3,120 | 10,372 | 9,779 | 0 | 593 | 0.00% | | |
| 5 | Callan CA&DS Ltd | 180 | 24,637 | -555 | -858 | -3.48% | 1,521 | 13,378 | 12,145 | 0 | 1,233 | 0.00% | | |
| 6 | Centenary Thurles Co-operative Society Ltd | 121 | 103,668 | -4,035 | 857 | 0.83% | 15,169 | 55,396 | 52,644 | 330 | 2,422 | 0.63% | | |
| 7 | Aurivo Co-operative Society Ltd | 561 | 443,838 | 446 | -5,780 | -1.30% | 40,713 | 70,477 | 62,259 | 14,820 | -6,602 | 23.80% | | |
| 8 | Dairygold Co-operative Society Ltd | 6,944 | 992,900 | 34,058 | 8,797 | 0.89% | 296,863 | 427,282 | 337,898 | 8,000 | 81,384 | 2.37% | | |
| 9 | Drinagh Co-operative Ltd | 2,315 | 148,448 | 8,844 | 6,121 | 4.12% | 25,558 | 139,865 | 137,803 | 1,374 | 688 | 1.00% | | |
| 10 | Drombane CA&DS Ltd | 176 | 9,564 | -2,416 | -2,470 | 0.00% | 416 | 4,098 | 4,044 | 0 | 54 | 0.00% | | |
| 11 | Ornua Co-operative Ltd | 38 | 2,082,059 | 56,406 | 32,627 | 1.57% | 202,770 | 780,441 | 520,293 | 199,095 | 61,053 | 38.27% | | |
| 12 | Lakeland Dairies Co-operative Society Ltd | 5,624 | 810,479 | 33,650 | 13,911 | 1.72% | 115,671 | 187,878 | 130,033 | 18,650 | 39,195 | 14.34% | | |
| 13 | Lee Strand Co-operative Creamery Ltd | 229 | 19,904 | -2,629 | -3,204 | -16.10% | 7,799 | 12,634 | 7,980 | 4,654 | 0 | 58.32% | | |
| 14 | Lisavaid Co-operative Creamery Ltd | 1,025 | 145,575 | 8,292 | 5,745 | 3.95% | 12,066 | 91,072 | 88,324 | 3,261 | -513 | 3.69% | | |
| 15 | North Cork Co-operative Creameries Ltd | 334 | 113,115 | -1,539 | -3,561 | -3.15% | 12,078 | 14,633 | 14,180 | 0 | 453 | 0.00% | | |
| 16 | Mulinhone Co-op Dairy Society Ltd | 0 | 28,134 | 611 | 246 | 0.87% | 2,457 | 10,970 | 10,405 | 0 | 565 | 0.00% | | |
| | Total | 37,809 | 5,516,060 | 155,173 | 65,275 | 1.18% | 826,490 | 2,102,105 | 1,635,740 | 278,923 | 187,442 | 17.05% | | |

CO-OPERATIVE STATISTICS: DAIRY CO-OPERATIVE STATISTICS (CONTINUED)

| Dairy Co-operative Societies and Associated Trading Entities 2018 | | | | | | | | | | Consolidated Balance sheet €'000 | | | | |
|---|---|-----------------------------|-------------|-----------|--------------------------------|----------------------------------|-----------------------|---------------------------------------|--------------------------------|---|-----------|---------------------|--------|--|
| Co-operatives (consolidated in Group) Trading performance €'000 | | | | | | | | | | Financed by | | | | |
| 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 | Glanbia Co-operative Society Ltd (Consolidated in Group) | 11,305 | 6,600 | 2,386,300 | 327,800 | 266,800 | 11.18% | 453,000 | 675,900 | 460,700 | 48,900 | 166,300 | 10.61% | |
| 2 | Kerry Co-operative Creameries Ltd (Consolidated in Group) | 12,573 | 25,000 | 6,607,600 | 620,454 | 617,900 | 9.35% | 1,767,000 | 6,672,900 | 4,034,400 | 2,133,500 | 505,000 | 52.88% | |
| | Total | 23,878 | 31,600 | 8,993,900 | 948,254 | 884,700 | 9.84% | 2,220,000 | 7,348,800 | 4,495,100 | 2,182,400 | 671,300 | 48.55% | |

| Dairy Co-operative Societies and Associated Trading Entities 2018 | | | | | | | | | | Combined Co-op & Consolidated Balance sheet €'000 | | | | |
|---|---------|-----------------------------|-------------|------------|--------------------------------|----------------------------------|-----------------------|---------------------------------------|--------------------------------|---|-----------|---------------------|--------|--|
| Combined Trading performance €'000 | | | | | | | | | | Financed by | | | | |
| 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 | | |
| | Total | 61,687 | 38,566 | 14,509,960 | 1,103,427 | 949,975 | 6.55% | 3,046,490 | 9,450,905 | 6,130,840 | 2,461,323 | 0 | 40.15% | |

CO-OPERATIVE STATISTICS: MART CO-OPERATIVE STATISTICS

| Mart Co-operative Societies 2018 | | Trading performance €'000 | | | | | Balance sheet €'000 | | | | | |
|----------------------------------|--|-----------------------------|-------------|--------|--------------------------------|----------------------------------|-----------------------|---------------------------------------|------------------------------|---|-------|---------------------|
| Society | Members | Employees (inc part / time) | Total sales | EBITDA | Net profit / (loss) before tax | Net profit / (loss) as a % sales | Assets employed | | Financed by | | | Debt / equity ratio |
| | | | | | | | Tangible fixed assets | Total assets less current liabilities | Shareholders / Members Funds | Bank overdraft / loans & finance leases | Other | |
| 1 | Ballyjamesduff Co-operative Livestock Mart Ltd | 54 | 36,441 | 148 | 87 | 0.24% | 978 | 3,732 | 3,725 | 0 | 7 | 0.00% |
| 2 | Castleisland Co-operative Mart Ltd | 19 | 21,933 | -69 | -134 | -0.61% | 2,226 | 2,935 | 2,888 | 26 | 21 | 0.90% |
| 3 | Castlerea Co-operative Livestock Mart Ltd | 35 | 27,544 | 130 | 92 | 0.33% | 1,086 | 2,592 | 2,592 | 0 | 0 | 0.00% |
| 4 | Central Auctions Services Co-operative Society Ltd | 34 | 1,344 | 331 | 215 | 16.00% | 2,575 | 5,517 | 5,409 | 0 | 108 | 0.00% |
| 5 | Clare Marts Ltd | 60 | 1,956 | 346 | 211 | 10.79% | 3,607 | 9,267 | 8,440 | 0 | 827 | 0.00% |
| 6 | Cork Co-operative Marts Ltd | 100 | 10,916 | 3,084 | 2,544 | 23.31% | 34,555 | 34,514 | 23,784 | 7,149 | 3,581 | 30.06% |
| 7 | East Donegal Co-operative Livestock Mart Ltd | 20 | 16,564 | 39 | 16 | 0.10% | 411 | 1,172 | 1,172 | 0 | 0 | 0.00% |
| 8 | Marglann an Daingean Teo (Dingle Mart) | 16 | 268 | 53 | 15 | 5.60% | 516 | 532 | -195 | 930 | -203 | -476.92% |
| 9 | Golden Vale Co-operative Mart Ltd | 111 | 7,185 | 2,108 | 1,251 | 17.41% | 5,447 | 44,287 | 24,035 | 17,960 | 2,292 | 74.72% |
| 10 | Kanturk Co-operative Mart Ltd | 25 | 612 | 258 | 202 | 33.01% | 1,464 | 1,413 | 1,413 | 162 | -162 | 11.46% |
| 11 | Kilkenny Co-operative Livestock Ltd | 50 | 1,877 | 456 | -25 | -1.33% | 9,601 | 9,861 | 6,745 | 3,074 | 42 | 45.57% |
| 12 | Leinster Co-operative Marts Ltd | 19 | 603 | 108 | 34 | 5.64% | 2,126 | 1,995 | 1,551 | 128 | 316 | 8.25% |
| 13 | Mayo Sligo Co-operative Mart Ltd | 33 | 779 | 98 | 37 | 4.75% | 1,171 | 4,291 | 4,291 | 630 | -630 | 14.68% |
| 14 | Mid Tipperary Co-operative Livestock Society Ltd | 24 | 906 | 230 | 128 | 14.13% | 746 | 2,142 | 2,047 | 0 | 95 | 0.00% |
| 15 | Mid Kerry Co-operative Livestock Society Ltd | 10 | 215 | -33 | -48 | -22.33% | 444 | 644 | 607 | 0 | 37 | 0.00% |
| 16 | Roscommon Co-operative Livestock Mart Ltd | 33 | 835 | 64 | 38 | 4.55% | 2,718 | 3,151 | 2,752 | 388 | 11 | 14.10% |
| 17 | Templemore Co-operative Livestock Mart Ltd | 0 | 223 | 30 | 16 | 7.17% | 191 | 658 | 658 | 5 | -5 | 0.76% |
| 18 | Tuam Co-operative Livestock Mart Ltd | 22 | 4,705 | 265 | 214 | 4.55% | 943 | 3,037 | 2,977 | 96 | -36 | 3.22% |
| 19 | Athney Co-Operative Mart Ltd | 0 | 958 | 243 | 127 | 13.26% | 1216 | 4042 | 4042 | 0 | 0 | 0.00% |
| | Total | 693 | 135,864 | 7,889 | 5,020 | 3.69% | 72,021 | 135,782 | 98,933 | 30,548 | 6,301 | 30.88% |

CO-OPERATIVE STATISTICS: OTHER CO-OPERATIVE STATISTICS

| Other Co-operative Societies 2018 | | | | | | | | | | | | | |
|---|---------|-----------------------------|-------------|--------|--------------------------------|----------------------------------|-----------------------|---------------------------------------|------------------------------|---|--------|---------------------|--|
| | | | | | | | | | | | | Balance sheet €'000 | |
| | | | | | | | | | | | | Financed by | |
| 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 Irish Farm Accounts Co-operative Society Ltd (IFAC) | 17,959 | 206 | 20,717 | 959 | 357 | 1.72% | 9,127 | 15,779 | 15,512 | 2,599 | -2,332 | 16.75% | |
| 2 Caravan, Camping and Mobile Home Society Ltd | 157 | 0 | 138 | -11 | -11 | 0.00% | 0 | 194 | 194 | 0 | 0 | 0.00% | |
| 3 Blackstairs Group Water Scheme Society Ltd | 1,199 | 2 | 318 | 40 | 38 | 11.95% | 289 | 672 | 672 | 0 | 0 | 0.00% | |
| 4 Milk Quality Ireland Co-operative Society Ltd (IMQCS) | 14 | 0 | 45 | 4 | 4 | 8.89% | 0 | 50 | 50 | 0 | 0 | 0.00% | |
| 5 Oldcastle Co-operative Creamery Ltd | 551 | 11 | 3,530 | 213 | 177 | 5.01% | 912 | 1,677 | 1,573 | 104 | 0 | 6.61% | |
| 6 The Kerry Bog Pony | 246 | 0 | 15 | 1 | 1 | 6.67% | 0 | 5 | 5 | 0 | 0 | 0.00% | |
| Total | 20,126 | 219 | 24,763 | 1,206 | 566 | 2.29% | 10,328 | 18,377 | 18,006 | 2,703 | -2,332 | 15.01% | |

CO-OPERATIVE STATISTICS: SUMMARY CO-OPERATIVE STATISTICS

Summary Co-operative Statistics 2018

| | Total | Dairies | Marts | Others | Fisheries | Co-operatives (Consolidated in Group) |
|--|-----------|-----------|---------|--------|-----------|---------------------------------------|
| Number of Societies Statistics Presented | 41 | 16 | 19 | 6 | 0 | 2 |
| Members | 85,422 | 37,809 | 27,487 | 20,126 | 0 | 23,878 |
| Employees | 7,878 | 6,966 | 693 | 219 | 0 | 31,600 |
| Trading Performance (€'000) | | | | | | |
| Total Sales | 5,676,687 | 5,516,060 | 135,864 | 24,763 | 0 | 8,993,900 |
| Net profit / (loss) before tax | 70,861 | 65,275 | 5,020 | 566 | 0 | 884,700 |
| Net Profit / (Loss) as a % of Sales | 1.25% | 1.18% | 3.69% | 2.29% | 0.00% | 9.84% |
| Balance Sheet (€'000) | | | | | | |
| Tangible fixed assets | 908,839 | 826,490 | 72,021 | 10,328 | 0 | 2,220,000 |
| Total assets less current liabilities | 2,256,264 | 2,102,105 | 135,782 | 18,377 | 0 | 7,348,800 |
| Shareholders / Members Funds | 1,752,679 | 1,635,740 | 98,933 | 18,006 | 0 | 4,495,100 |
| Bank overdraft / loans & finance leases | 312,174 | 278,923 | 30,548 | 2,703 | 0 | 2,182,400 |
| Other | 191,411 | 187,442 | 6,301 | -2,332 | 0 | 671,300 |
| Debt / equity ratio | 17.81% | 17.05% | 30.88% | 15.01% | 0.00% | 48.55% |

Members Annual reports not received

Dairies

Maudabawn Co-op & Dairy Society Ltd
 Tipperary Co-op Creamery Ltd
 Wexford Milk Producers Co-operative Society Ltd

Marts

Elphin Co-operative Livestock Mart Ltd
 Iveagh Co-operative Farmer Mart Society Ltd
 Kenmare Livestock Mart Co-op Society Ltd
 Kingdom Co-operative Livestock Mart Ltd
 Waterford Ross Co-operative Mart Ltd

Breed Societies Not Listed

Droimeann Cattle Society Ltd
 Irish Angus Cattle Society Ltd
 Irish Charolais Cattle Society Ltd
 Irish Charollais Sheep Society Ltd
 Irish Limousin Cattle Society Ltd
 Irish Pedigree Cattle Breeders Society
 Irish Simmental Cattle Society Ltd
 Irish Texel Sheep Society Ltd

Limo Leader Co-operative Society Limited
 Montbelliarde Cattle Society of Ireland Ltd
 Progressive Genetics Co-op Society Ltd
 Roughly Valley Co-operative Society Ltd
 South Eastern Cattle Breeding Society Ltd

Rural Development & Miscellaneous Societies

Clonleigh Co-operative Agricultural Society Ltd
 Co Clare Agricultural Show Society Ltd
 Comhar Conradh Na Boirne Teoranta
 Comhar Chummann Chleire Teoranta
 Comhar Chummann Shalleama Teoranta
 Commercial Mushroom Producers Co-op Society Ltd
 Co-op Animal Health Ltd
 Corcaghan CA&DS Ltd
 Country Markets Ltd
 Doapey CA & DS Ltd
 Farm Development Co-operative Ltd
 Inishowen Co-op Society Ltd
 Irish Horse Board Co-operative Ltd
 Kilkenny Community Communications Co-op Ltd
 Kinaleck & District Community Co-op Society Ltd
 Mayo Abbey Co-operative Agricultural & Dairy Society
 Mizen Tourism Co-operative Society Ltd
 Nairn Portnoo Rosbeg Community Co-op Society Ltd
 National Co-operative Farm Relief Services Ltd
 Oran PSV Co-operative Society Ltd
 Siciú Co-operative Society Ltd
 Unity Co-operative Society Ltd
 Western Forestry Co-operative Society Ltd

Group Water Scheme

Ballinabnaba Group Water Scheme Co-operative Society Ltd
 Ballymachugh Group Water Scheme Co-Op Society
 Bulgaden Group Water Scheme Co-op Society Ltd
 CBC Group Water Scheme Society Ltd
 Claran Group Water Scheme Co-op Society
 Cloonsarn Group Water Scheme Co-operative Society Ltd
 Corduff Corraharra Group Water Scheme Society Ltd
 Corohan Group Water Scheme Co-operative Society Ltd
 Derrycorrib/Dooihoma Group Water Scheme Co-op Ltd
 Kilally Ballinrush Group Water Scheme Society Ltd
 Kilbarrow GWS Society Ltd
 Kilocoran New Burgess Group Water Scheme Co-op Ltd
 Kilgalligan GWS Co-op Society Ltd
 Killaturley Water Co-op Society Ltd
 Kylesmore-Abbey GWS Co-op Society Ltd
 Milltown Community GWS Co-op Society Ltd
 Newtowndaly Group Water Scheme Co-operative Society Ltd
 Peterswell - Castledaly GWS Co-op Society Ltd
 Srahean Group Water Scheme co-operative Society Ltd

Fisheries

Burtonport Fishermen's Co-operative Society Ltd
 Castletownbere Fishermans Co-operative Ltd
 Clogherhead Fishermen's Co-op Ltd
 Donegal Co-operative Fisheries Ltd
 Foyle Fishermen's Co-operative Ltd



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