



## 123<sup>rd</sup> ICOS Annual Report & Accounts 2017



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**Martin Keane**  
ICOS President

# PRESIDENTS STATEMENT

It makes me immensely proud to serve as President to this fine organisation and to serve with a Board and Expert Committees who work hard to support our businesses and the co-operative as a way of doing business.

ICOS depends enormously in the commitment and leadership shown by representatives of co-operatives nationwide, who serve, for very little reward, on our representative structures, and help ICOS to develop the structures and policies needed to address the problems and challenges facing the sector. Our Dairy Committee, made up of 15 farmers representatives from across the industry, from the very smallest to the very largest co-operatives, drives dairy policy formulation within the organisation. Our Marts Committee has 13 members and they ensure that their service, which is vitally important to the broader agri economy, is respected, supported and can cope with increasing regulatory requirements. Our Rural Business Committee, with 12 members, drives policy formulation on a whole range of horizontal issues which affect all co-ops.

Representing ICOS as I do on COGECA, the European co-operative

organisation, I'm intensely aware of the difficulties facing farmers and their businesses across the EU, and I appreciate the value of strong co-operatives in sheltering farmers from the harsh environment that exists at present. It is quite clear that in the Member States where the co-operative model is well established and works efficiently, those farmers are much better placed to deal with challenges, whilst reaching their economic potential.

In the past year, the parallel difficulties of a shambolic Brexit process and an impending CAP reform have been at the forefront of our minds. ICOS has played a very proactive role in communicating the concerns of our members, at the highest level. Our representative on the COPA-COGECA Brexit Task Force, Alo Duffy, was elected as Chairman of that Group and effectively leads the farming effort for all of Europe. He has successfully reinforced the importance of a sensible Brexit solution at the highest level, with ongoing access to Michel Barnier, the Chief EU negotiator and his team. While, to some extent, we are all powerless as we await the latest ongoing demonstration of the UK's dysfunctional approach to the problem they created, none-the-less,





we must continually reinforce the importance of post Brexit market access, and the sensitivity of the Irish Border.

Brexit also has a role to play in the negotiations around the CAP post 2020. The Brexit hole in the EU budget, combined with a dramatically increased level of ambition by the EU, to deal with issues such as immigration and the digital economy, suggests severe pressure on the CAP budget. Currently, the Brexit related deficit is estimated to be around €13bn and this combines with an estimated €12bn to fund the new priorities. Currently Member States have been reluctant to fund the full extent of the shortfall, with suggestions that the CAP budget might be cut by over 5%.

The ICOS view is quite clear: security and defence are important considerations, but so too is the sustainability and security of food supply and the sustainability of the farmers and rural communities underpinning that capacity. You can't eat bullets or plough a field with tanks, but you can consume the essential products of our beef, dairy and tillage sectors. This proposed cut of 5.3% to CAP funding represents a yearly reduction of nearly €3bn. This

is totally unacceptable for Ireland and Europe generally and it must be vehemently resisted by the Minister for Agriculture, Food & the Marine, by the Government and by our MEPs. As direct payments with the CAP make up over 100% of the income of up to 60% of Irish farmers, such a reduction in funding would have a devastating impact on farmers' income and enormously severe consequences for the rural economy. Cutting funding to agriculture is unacceptable when Irish and EU farmers already stand to be worst hit by Brexit, including the potential loss of UK markets, and are under more pressure than ever more as a result of overall volatility and constantly multiplying regulatory demands.

It was gratifying, however, to note the comments from Commissioner Hogan, as he called on Member States to put in place taxation measures which could help farmers to cope with the ongoing and damaging volatility which exists in dairy markets particularly, and for which the EU no longer has adequate management tools. ICOS will continue to press the Department of Agriculture, Food & the Marine and Revenue, to implement an income management tool such as we have been pursuing for the past number of budgets. This

remains the one key unimplemented recommendation from the 2014 Revenue review of Agri Taxation.

We will continue to work, through our Expert Committees, our Dublin team and our Brussels office, to pursue the interests of and to represent the views of our member co-operatives at the highest level.

Martin Keane  
President



**TJ Flanagan**  
CEO

# CEO STATEMENT

2017 was a positive, but challenging year for ICOS and its member co-operatives. ICOS continues to develop its young team, as we build fresh competence across our range of service areas. We are particularly focused on supporting the governance and strategies of our member co-ops through the provision of excellent advice, training and mentoring to board and individual directors, across a range of co-operatives ranging from small start-ups to huge international food and ingredient manufacturers. We support our members and their businesses through strong policy representation, in Ireland and in the EU.

The Irish rural economy continues to evolve, post milk quota and farmers, their co-operatives, and all of us service providers are being challenged to support this change, which brings positives and negatives to farm families. Last year was the third year of the quota free era and milk supply grew by a further 9% to over 7.2bn litres. While this level of supply growth is understandable and was, to a large extent, predicted, it poses challenges for the entire rural economy, particularly in the context of the environment, labour availability and animal health & welfare. The second half of 2017 was characterised by very poor

weather, particularly in the west and north west, resulting in poor silage making conditions, and paving the way for a full-blown fodder crisis this spring. This is the second such severe weather-related fodder crisis in 5 years. This tells us a number of things; the climate is changing, and we have a role to play, and we need to ensure that our model of farming is resilient enough to cope with such adverse events.

Irish agriculture doesn't exist in a bubble. While agriculture is an enormously important sector of our economy, surely the shining light over the dark years of the recession; we know that it has a role to play in delivering on key national environmental priorities, such as climate change, and air and water quality. It is now almost certain that Irish agriculture will not reach it's 2020 target for greenhouse gas emissions (20% below 2005 levels), and that we will be challenged to reach our 2030 targets. Whilst we have a hugely strong case, particularly in the dairy sector, as the producers of milk with amongst the lowest carbon footprint on the planet, and it makes absolute sense to have milk produced here, rather than in high carbon systems, we still have a huge job to do to reduce our emissions, whilst



still growing production in line with our potential. In reality, Irish agriculture and food production will be competing with other sectors of the domestic economy for the right to emit greenhouse gasses. Those sectors - transport, residential, commercial, waste and non-energy intensive energy, will surely look with a jaundiced eye if agriculture fails to deliver its fair share of the national target.

We also have water and air quality targets, which seem almost inconsistent with a steady growth in the national herd. The recent successful renegotiation of the derogation on stocking limits under the Nitrates Directive, was as a result of hugely valuable work by the Department of Agriculture, Food & the Marine, along other Departments and agencies, but the clock is ticking until the current Nitrates Action programme ends in 2021, along with the derogation, and if we haven't delivered substantially on protecting our waters, we may be facing a more difficult regulatory regime. Likewise, under the National Emissions Ceiling Directive, we have targets for the reduction in emissions of gasses such as ammonia, and since agriculture is responsible for 98% of our ammonia emissions, we will be particularly challenged. We exceeded our current ammonia targets for the first time

in 2016. Limiting and reducing ammonia emissions into the future will be a real challenge given our expansion ambitions.

As well as ensuring that our industry is compliant with the demands of our fellow citizens, we also have a responsibility to ensure that it delivers for our members. In seeking to pursue the targets established under Food Harvest 2020 and Foodwise 2025, we have become very focused on production metrics. Recent weather events, as well as price volatility, have demonstrated however, that the system needs to work for the producer too. ICOS believes that we now need to have an honest appraisal of the signals we give to farmers, and to make sure that the targets they set are realistic, and result in a farm business that is resilient and sustainable, for the farmer as well as the citizen.

ICOS co-ops have a huge role to play in supporting the commercial farming sector; dairy co-ops, mart co-ops, stores societies, breeding societies, accounts co-ops, farm relief, group water schemes.

When farmers need support, it's their co-op that provides it. The co-operative has proven itself, time and again to be the most appropriate model to provide deliver for farmers.

Those co-ops than need a strong central hub that provides co-ordination, representation and training, to ensure that they deliver for their members. The ICOS team works hard to support our members to address the structural challenges facing the sector. From Brexit, to CAP reform, to the Environment, Milk Quality, Animal Health and Welfare, Food Safety, Health and Safety, Livestock Trading, Co-op Rules and Governance, Pensions, Training, and all points in between. We have a committed team of professionals committed to supporting and developing your businesses.



TJ Flanagan  
Chief Executive

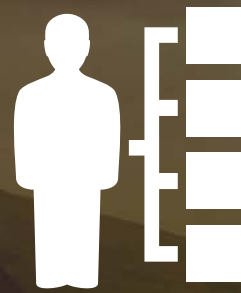
# WHAT WE DO?



## PEOPLE

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- Plunkett Institute
- ICOS Learning & Development
- Conferences
- Developing Future Leaders



## POLICY

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- Dairy
- Livestock
- Rural Business
- Environmental





## ORGANISATION

- Rules
- Governance
- Legal
- Taxation





**James Doyle**  
Legal & Governance Executive

It has been a busy year for those involved in the governance of co-operatives. As legal entities, co-operatives must fulfil certain requirements to comply with law, whilst simultaneously lies the challenge of ensuring that the co-operative's structures and systems reflect both business need and members' interests.

Secretaries, board members and management personnel are the individuals typically charged with the task of legal compliance and good governance. The following is a summary of those tasks and the areas where ICOS continues to support and assist co-operatives in that endeavour.

### **DIRECTORS**

Described in the legislation as members of the committee of management, elected representatives to the 'committee' or 'board' are more commonly becoming referred to as 'directors'. There is good reason for this. Any legal entity – whether a co-operative or a company – must have somebody that is ultimately responsible for its management. For co-operatives that somebody is the board and its members.

### **DIRECTOR TRAINING**

In ICOS, we continue to provide an extensive suite of training programmes. All designed to inform directors and other leadership figures on the legal basis and realities of their co-operative

and how best they can play their part in making a success of the co-operative for its member producers. These include 'The Co-operative and the Law', 'The Do's and Don'ts for Co-operative Directors' and 'A Director's guide to the Co-op Rules'.

### **BOARD GOVERNANCE**

Given that the board of directors exercises such an important decision-making function within the co-operative and given that decision making usually takes place in the context of a meeting, it's no surprise that there has been a surge of attention on how exactly boards operate within the context of those meetings. This trend is by no means peculiar to the co-operative sector, the corporate world is littered with examples of where the spotlight has been cast on the business of the board room.

In the last year, ICOS executives have worked with several co-operative boards on the design and implementation of Codes of Conduct, Confidentiality Clauses and Standing Orders. Integral to the drafting and delivery of this documentation, is an acknowledgment by directors of the fundamental principles underpinning sound decision making at the very top level. Two of these, confidentiality and the risks inherent in conflicted interests, remain key target areas for improvement. Other practices such as when sub-committees should be

established and the management of their remit are evolving into more seamless activities – and critically, an efficient use of the board's time.

If 2017 was a productive year in revisiting and upgrading these governance practices, the signs so far are that 2018 will see a continuation of that trend.

### **MEMBER INVOLVEMENT AND SHARES**

As member-led and member-controlled organisations, co-operatives enjoy a unique relationship with their owners. For each and every ICOS affiliated co-operative, one premise prevails – the venture was created to serve producer needs. The critical connection between producer and co-operative is one that requires attention, service and renewal.

Integral to the maintenance of that connection is the share register. This document will, in the absence of contrary evidence, be determinative of the co-operative's membership. In several sectors within which the co-operative model operates there has been a legacy whereby share registers have not been updated to reflect the current active and living shareholders. This is less than ideal and can pose problems as time goes by.

In ICOS, our executive team have been working closely with co-operative secretaries to maintain their share

# OPERATIONAL SERVICES



registers. The stimulus for this has in most cases been secretaries, boards and management querying what they should be doing regarding review of the ownership records of the co-operative. In other cases, a particular query might arise where a dairy affiliate is approached by a milk supplying member regarding shares held in the name of a deceased grandfather. Irrespective of the specific reason for starting the conversation, what's far more important is that co-operatives actively review their share registers and that they arrive at a position where the documents reflect the reality.

### **SECRETARY ASSISTANCE AND TRAINING**

In a bid to formalise this assistance into a more systematic approach which co-operatives can themselves use, in accordance with their rules, ICOS will be rolling out a training program for co-operative secretaries later this year. Shares and member rights will constitute a key component of the programme and it is expected that the sharing of generic knowledge amongst secretaries, especially, within the dairy and marts sectors, will give rise to more efficient and effective approaches being adopted back at their own co-operative.

### **LEGISLATION**

The law underpinning co-operatives is being reviewed by law-makers. This has been flagged in previous annual reports and while there is no definite indication of when a new statute will come into effect ICOS is aware that the Department of the Government department driving the review (the Department of Enterprise, Jobs and Innovation) intends to publish the general scheme of a bill by the second half of this year.

In 2017, ICOS made a submission to the review as part of a formal consultation process. That submission recognised the value in consolidating the legislation, made calls for certain efficiencies to be made available to co-operatives and stood firm on the core co-operative principles of member control and member leadership. Separate to the review of the Industrial

and Provident Societies Acts is the recent and pending introduction of two distinct pieces of legislation.

Perhaps the most publicised of these relates to the protection of personal data. A new EU regulation, the General Data Protection Regulation (GDPR), comes into effect from 25th May this year. This regulation will impact on any organisation collecting or processing personal data. At the 41st ICOS Conference in January delegates heard what the Regulation will likely mean for their co-operative businesses. The first steps towards compliance with the GDPR involves management and staff becoming aware of exactly what types of personal data the co-op holds and mapping out what happens to that data. ICOS has been to the forefront in providing awareness training and application assistance through ICOS Skillnet and our governance executives. In recent months, many co-ops have begun the process of having their executives trained in the principles of the GDPR. The task of getting down to the business of mapping out the personal data held and used by the co-op and building notices, policies and procedures to safeguard that data should by now be underway.

The Anti Money Laundering Directive is another consideration for co-op management. The Directive states that information on the beneficial ownership of shares be obtainable by a state regulator. Many co-op secretaries will be in a good position to meet the new requirements. For other co-ops there may well be a need to clarify the status of untraceable shareholders in accordance with the rules of their Society. ICOS continues to provide assistance to co-op secretaries across the affiliate network in the process of addressing deceased and untraceable shareholders and it's fair to say that while co-op secretaries and staff are doing their utmost to take on this challenge in many cases the scale of the task is such that results will only happen with the support of senior management and the Board.



## RULE AMENDMENTS AND CONSOLIDATION

As the fundamental contract between a producer and his co-operative, the rules remain the cornerstone of the co-op's governance structures. As business and member needs evolve, so too must the rules. In 2017, ICOS assisted with the negotiation and drafting of rule amendments for several affiliates.

Amalgamations and transfers of engagement also featured in 2017 particularly in community-based service co-operatives, where the scale of infrastructure could be managed by more centralised management and leadership structures. That said, where any two co-operatives come together to compete more effectively or provide a more effective service to

their members, it is important that the representative tenet remains intact. In that respect, how the rules of a merged co-op will provide for the needs of all its producers needs to be examined closely. With economic uncertainty posed by Brexit and compliance acceleration as demonstrated above there will, in the coming months and years, be further moves towards co-op consolidation. ICOS recognises the logic of this trend and looks forward to playing its part in ensuring that the representative and participation values remain central to that trend.

## GENERAL ADVICES

The representative and participatory principles of co-operative enterprise bring a steady suite of queries and requests for assistance to the ICOS

legal and governance team. Whether in advising the Boards and Secretary on the procedures for running meetings and holding elections or working with sub committees to create workable policies on co-op membership or confidentiality challenges, the work done in 2017 demonstrates that the co-op dimension of affiliates' businesses are alive and kicking.

As new groups begin the process of setting up co-operatives they too will benefit from the body of work and expertise built up from within the affiliate network over many years. Always changing, always relevant. The co-op sector continues to thrive and the ICOS legal and governance team looks forward to facilitating that sustained growth and renewal.

## NEW REGISTRATIONS IN 2017

| Name of Society   | Date of Registration | Registration No. | County       |
|---|----------------------|------------------|--------------|
| Kildysart Coolmeen Group Water Scheme Co-operative Society Ltd        | 20-Mar-17            | 5685R            | Co Clare     |
| Killeen Brockagh Ballintemple Group Water Scheme Co-operative Society | 20-Mar-17            | 5684R            | Co Galway    |
| West Limerick Group water Scheme Co-operative                         | 07-Jun-17            | 5691R            | Co Limerick  |
| Knockauns Group Water Scheme Co-operative Society Ltd                 | 26-May-17            | 5689R            | Co Galway    |
| Tonacrick-Cuilnakillev Group Water Scheme Co-operative Society        | 26-Jul-17            | 5692R            | Co Mayo      |
| Rathfalla Group Water Scheme Co-operative Society Ltd                 | 15-Aug-17            | 5693R            | Co Tipperary |
| Oran PSV Co-operative Society Ltd                                     | 06-Sep-17            | 5696R            | Co Galway    |
| Wexford Supporters Trust Co-operative Society Ltd                     | 10-Oct-17            | 5699R            | Co Wexford   |
| Breveiga Group Water Scheme Co-operative Society Ltd                  | 02-Nov-17            | 5705R            | Co Leitrim   |
| <b>Partial Amendments</b>   |                      |                  |              |
| Comhar Connradh na Boirne Teoranta Limited                            | 01-Mar-17            | 3202R            | Co Clare     |
| Wexford Farmers' Co-operative Society Limited                         | 13-Jun-17            | 2975R            | Co Wexford   |
| Glanbia Co-operative Society limited                                  | 19-May-17            | 4928R            | Co Kilkenny  |
| Bandon Co-operative Agricultural And Dairy Society Limited            | 12-Jun-17            | 1804R            | Co Cork      |
| LacPatrick Co-operative Society Ltd                                   | 03-Jul-17            | 5644R            | Co Monaghan  |
| Tipperary Mid-West Radio Co-operative Society Ltd                     | 12-Jun-17            | 4460R            | Co Tipperary |
| Athenry Co-operative Mart Limited                                     | 23-Jun-17            | 2934R            | Co Galway    |
| Centenary Thurles Co-operative Society Limited                        | 02-Aug-17            | 3303R            | Co Tipperary |
| Glanbia Co-operative Society Limited                                  | 09-Aug-17            | 4928R            | Co Kilkenny  |
| <b>Complete Amendments</b>  |                      |                  |              |
| Brusna Group Water Scheme Co-operative Society Ltd                    | 31-May-17            | 5254R            | Co Roscommon |
| Kilkenny Community Communications Co-operative                        | 21-Sep-17            | 4123R            | Co Kilkenny  |



### **Eamonn Farrell**

**ICOS Agri Food Policy Executive Secretary to: ICOS Dairy Committee, ICOS Climate Change Working Group and IMQCS**

# **MEMBER SERVICES**

## **ICOS DAIRY COMMITTEE**

### **DAIRY POLICY**

2017 represented a more stable year for dairy farmers, which was welcome following a difficult period in 2015-16. Market returns were supported by historically high fat prices. However, a structural divergence between fat and protein prices developed in 2017. SMP intervention stocks are a significant drain on the market and global flows were strong in Q4, with the exception of Oceania. Extreme weather events and a late spring has added to difficulties at farm level.

Importantly, milk purchasers continue to develop and offer a range of fixed milk price schemes to their suppliers, which enables some degree of certainty at farm level.

In an effort to reduce extreme volatility affecting milk suppliers, ICOS has developed an income stabilisation tool, whereby a farmer can enter into a voluntary agreement with their co-operative to defer up to 5% of their gross annual income in a good year, to draw down during weak markets. The detailed proposal by ICOS, if enacted by the Government, can result in a significant stabilisation impact on the income of a typical family farm enterprise. We will continue to strongly advocate for its implementation, and are pleased to note that the CAP communication published by Phil Hogan in November 2017 is supportive of its principle.

ICOS actively engages with the European Commission on dairy markets through our membership of Copa-Cogeca and the Economic Board of the European Milk Market Observatory.

### **WATER QUALITY**

ICOS is a key member of Dairy Sustainability Ireland aimed at water quality improvement. This is a collaborative approach including stakeholders from the dairy industry, government departments, industry, farm organisations and state agencies. The initial phase started in 2017 and includes six co-op led pilot projects (30 farms each), with the aim of improving nutrient management planning and on-farm point source pollution. Additionally, joint funding will be provided to employ 30 agricultural and sustainability advisors to support farmers in this area.

### **PEOPLE IN DAIRY REPORT**

ICOS played a key role in the development of the People in Dairy report published by Teagasc in 2017. The estimate contained in the report is that from now until 2025 there will be a requirement at farm level for an additional 2,315 full time equivalents and 3,958 to sustain regeneration, with the average dairy farmer 58 years of age. Dairy farming is a rewarding, sustainable and family friendly occupation. However, a lot can be done to make dairy farming a better career option for potential farmers, farm managers and employees. ICOS is a member of the implementation body set up to deliver the report's recommendations under the chairmanship of Tom Moran.

### **JOHNE'S DISEASE CONTROL PROGRAMME**

ICOS is playing a central role in the establishment of an Irish John's Disease Programme. The first phase of the Irish John's Disease Programme was launched in 2017, targeted at farmers involved in the pilot programme. Dairy co-ops are actively engaged in the

programme through the organisation of information workshops for their suppliers and the provision of funding for on farm risk assessments. ICOS is working closely with Animal Health Ireland and industry stakeholders on phase two of the programme, which will start in 2018 and will be open to all farmers. While the prevalence of Johnes Disease in the Irish dairy herd is low, it is vital that a programme, which is effective, practical and workable at farm level is in place to reduce risks associated with the disease.

### ANTIMICROBIAL RESISTANCE

Antimicrobial resistance where medicines used to treat diseases are no longer effective is a global issue of concern. ICOS is prominent in ongoing discussions with the Government on the prudent use of antibiotics for dairy cattle. We are actively engaging at EU level through our Brussels office on EU veterinary medicines legislation. In addition, ICOS is a member of the Government's task force responsible for the implementation of Ireland's National Action Plan on Antimicrobial Resistance.

### MILK QUALITY

ICOS actively participates in industry working groups on milk quality including the AHI CellCheck Implementation Group and the Teagasc Chlorate Working Group. ICOS also provides secretarial services to the Irish Milk Quality Co-operative Society (IMQCS). In 2017, 187 milking machine technicians attended refresher courses on milking machine servicing and 17 completed the IMQCS training programme for newly trained technicians.



### ICOS CLIMATE CHANGE REPORT

ICOS launched a new report on climate change called *"Positive steps towards a low carbon future for the Irish dairy sector"*.

The report was launched in Plunkett House by Michael Creed, Minister for Agriculture, Food and the Marine and Professor John Fitzgerald, the Chair of the Government's Advisory Council of Climate Change. In the aftermath of the Paris Climate Agreement, the ICOS Board in 2016 decided

to establish a working group on climate change including personnel from the environment and farm services teams in dairy processing co-operatives and chaired by Martin Keane, ICOS President.

Environmental sustainability is an absolute priority for the Irish dairy industry. For example, the Sustainable Dairy Assurance Scheme has enabled Ireland to position itself as a partner of choice globally for sustainably produced and quality assured milk and dairy products.







The inclusion of the carbon navigator tool makes SDAS unique. It provides the average carbon figure for production on the farm and also indicates where the greatest potential saving can be made in both carbon emissions but also very importantly in financial savings. In doing so, it has mainstreamed the message that carbon efficiency goes hand in hand with economic efficiency.

Agricultural systems throughout the world will have to provide extra food to feed a growing population – expected to exceed 11 billion people

by the end of this century. We must produce more food, while conserving available land, water and energy resources.

As an industry we acknowledge that climate change is a reality and we recognise that the dairy industry has a responsibility to develop in the post quota era in a manner that protects the environment, and as an industry we fully adhere to the principle of sustainable intensification.

The Irish dairy sector exports to a multiple of Ireland's national

population, a highly nutritious food source recognised by the EU's Joint Research Centre as the most carbon efficient in Europe. This is because Ireland's temperate climate is perfect for growing grass, with a long grazing season. This also enables superior animal welfare conditions on Irish farms.

The ICOS Report recognises that there is no magic bullet solution as farm based emissions result from complex natural processes, and as recognised by the European Council in 2014, mitigation options for agriculture is limited. Our core recommendation is that the effective and widespread sharing of win-win solutions that generate efficiencies at farm level and benefits to the environment is the biggest challenge to address.

There are a range of technical and cost effective mitigation options that ICOS believes should be incorporated into a structured knowledge sharing programme on climate change mitigation. These include measures around grassland management, the inclusion of clover in swards, manure management, nutrient management planning, the use of protected urea, improved EBI, sexed semen, reducing the age at first calving, nutrition, animal health and energy efficiency.

We need to collectively support the vision and capabilities of farmers to lead the global response to climate change. The ICOS Report concludes that the farming community can positively address the issue of climate change with appropriate support. For example, individual farmers and groups of farmers working through co-operatives can further mitigate against climate change through the uptake of agro-forestry using native trees and renewable energy technologies such as biogas from anaerobic digestion and solar panels on farm buildings.







# ICOS MARTS COMMITTEE

**Ray Doyle**  
Livestock Services Executive  
Secretary, ICOS Marts Committee

During 2017, ICOS marts throughput were up a significant 3% nationally compared to 2016. The number of cattle traded in the marts exceeded 1.79 million animals. Most of this increase has been in the dairying strongholds of the south and east, as more cull cows and dairy bred calves are been sold in co-operative marts. The recent removal of the requirement for pre-movement brucellosis testing has seen a significant shift by farmers to selling their cull cows in their local co-operative mart in 2017 as better returns are evident in the sales ring compared to other marketing outlets.

The regional breakdown was as follows:

## 2017 versus 2016

| Province | Throughput |
|----------|------------|
| Ulster   | +2.23%     |
| Munster  | +3.45%     |
| Leinster | +3.82%     |
| Connacht | +3.62%     |

Live exports of cattle increased by a significant 35% during 2017 to over 145,000 animals. This was achieved by a strong demand from countries such as Holland, Belgium and Spain for calves where exports rose by 45%. Exports to Northern Ireland and the UK of store animals continue fall as a result of Northern Irish and UK based meat plants penalising Irish born animals. The number of Irish cattle shipped to Britain dropped again by 12% (5657 head) but exports to Northern Ireland increased by 10% (25,254 head), but this was mainly as a result of increased demand for breeding stock, not forward stores

or factory fit prime under 30-month animals. This effective ban by meat plants in Northern Ireland on killing cattle from the Republic in Northern meat plants is anti-competitive and in contravention of free trade principles within the EU. Looking at the total exports to continental Europe, the number of cattle exported jumped by 33.2% or 30,138 head. The Netherlands and Spain recorded the largest increases – up 14,862 and 12,915 head respectively. These markets are the main purchasers of Irish dairy bull calves. On an equally positive note, live cattle exports to other or non-EU markets jumped by 82.7% or 12,320 head during 2017. This has been largely helped by exports to Turkey and over 25,000 live cattle have been shipped to this market throughout 2017.

## MART INSURANCE

During 2017, ICOS Marts across the country saw their insurance premiums rise by as much as 100% in some cases and marts that have claims paid or pending are seeing the biggest increase in premium. The ICOS Marts Committee held a special mart insurance conference in Cillin Hill, Kilkenny Mart in December, where the Health and Safety Authority (HSA) and FBD Insurance put forward potential solutions to the spiraling insurance costs that some marts are being faced with. Most of these potential suggestions involve a fundamental change in the custom and practice of farmers mixing with livestock in the penning and passageway areas of marts. The HSA would prefer no member of the public mixing with livestock and the ICOS Marts

Committee have discussed potentially preventing access to the penning and weighbridge areas by members of the public in an effort to reduce claims and subsequently insurance costs. This potential change to mart business will have to be transitioned evenly across the country.

## BEEF ROUNDTABLE

ICOS made a detailed presentation to the beef roundtable in July 2017, where the ICOS Marts Committee questioned the Department of Agriculture's decision to allow the Animal Identification Movement system (AIM) data to be accessed by meat plants. Other European countries only allow their competent authorities access to movement data for disease monitoring reasons, but our DAFM have allowed the meat plants to monetise this data which discriminates, financially animals that have multiple movements through livestock marts. The ICOS Marts Committee also asked that all quality payments should be based solely on the movement and residency criteria laid down by Bord Bia BQAS standards and moving the quality payment to animals over 36 months would ensure a bigger percentage of the overall diet comes from grass which would aid the marketing of grass fed cattle and increase the number of animals eligible for bonus payments. The Department was also requested to provide greater marketing budget allocations to promote increased live exports opportunities for Irish beef across the world, not just EU destinations and to immediately address potential competition issues with meat processors controlling

meat plants, offal rendering and now feedlots as there are legislative moves afoot in the United States to ban meat factories from owning feedlots due to the conflict of interest and ability to control supply in times of scarcity.

## **SHEEP**

The sheep numbers presented in marts grew during 2017 by a modest over 5% but prices increased during the second half of 2017 to an average of €4.84 per kilo, which was 23 cents/kilo ahead of 2016. Sales of factory finished lambs have stabilised in most co-operative marts and breeding stock and store lambs continue to underpin the co-operative livestock mart trade. Live sheep exports decreased by 27% during 2017 to 35,000 head due to increased domestic prices even though demand from the Muslim festivals of EID and Ramadan continue to be extremely important in underpinning live sheep prices in mart centres.

## **EUROPEAN ASSOCIATION OF LIVESTOCK MARTS AGM**

ICOS marts sent 37 delegates to the 2017 AGM and General Assembly of the EALM. It was held in Slayley Hall, Northumberland, England on 18h to 21st May and as well as the AGM there was a celebration of 200 years of the livestock mart system in England. Livestock mart representatives from Holland, Belgium, Spain, France, Scotland, England, Wales and Northern Ireland all attended.

A key topic of the conference was the potential impact of the new CAP agreement on cattle and sheep numbers and for the UK audience Brexit will have a real impact at individual farm level when the CAP disappears when the UK leave the EU. All countries were concerned at the possible negative effects on livestock numbers if the CAP budget and distribution methods were radically changed and the potential Brexit impact of the UK importing cheaper product from 3rd countries as this will displace the 250,000 tonnes of Irish product onto the European market.

# ICOS RURAL BUSINESS COMMITTEE



## **Darragh Walshe**

*(replaced Donal Parsons in January 2018)*

*Legal & Development Executive*

*Secretary, ICOS Rural Business Committee*

The ICOS Rural Business Committee is made up of 12 members drawn from across the wide variety of co-operatives that make up our membership. It is a forum for the development of co-operative rural business policy and seeks to promote a stronger and more vibrant co-operative rural enterprise sector in Ireland.

Committee members represent ICOS on various local, national and European structures in sectors with co-operative potential or affecting co-operative interests, such as membership of the Post Office Working Group, to advise on utilising the post office network as community co-operatives and social enterprises.

The Rural Business Committee last met on 14th March 2018 and discussed the following matters in detail and subsequently agreed on pursuing them.

- Exploration of the viability of anaerobic digesters, their usefulness to Irish agriculture, rural Ireland, and the environment in addition to the suitability of a co-operative ownership structure to any such venture
- Updating and adopting ICOS' submission to the European Commission in respect of CAP 2020
- Tracking the progress of the new IPS act

- Liaising with the agricultural colleges in respect of educating green cert candidates on the co-operative model and its importance in agriculture – also discussing the approach for a competition related to the subject funded by the Golden Jubilee Trust

Darragh Walshe has recently been appointed as Secretary of the Committee and through the newly appointed Secretary and the Chairman, the Committee are currently progressing these matters and will be providing updates on the next steps for each matter for subsequent meetings. In addition, Darragh has been, and will continue to pursue the preparation of ICOS and its affiliates for the implementation of the General Data Protection Regulation. Whilst the Regulation was written and implemented with bodies other than co-ops in mind, none-the-less it will have significant implications for co-ops due to the number of interactions which they have with members of the public, be they members, suppliers, customers, employees etc.

The Committee would also like to put on record its gratitude for the contribution of Alison Graham to our CAP 2020 proposal throughout 2017 and the early part of 2018.





**Alison Graham**  
European Affairs Executive  
Twitter - @ICOS\_BXL

## BREXIT

Brexit has been the stand out topic of 2017, with its wide-ranging implications on the EU budget to customs and competition concerns featuring in discussions across the EU institutions, committees and associations. Since UK Prime Minister, Theresa May officially triggered Article 50 of the Lisbon Treaty, initiating the two-year withdrawal process, on 29th March 2017, significant progress has been made towards achieving an orderly withdrawal. Substantial aspects of the Withdrawal Agreement have been settled in principle, including the UK's financial contribution on pre-established commitments, the rights of EU citizen's living in the UK and vice versa and most recently transitional arrangements,



Chair of the Copa Cogeca Brexit Task Force and ICOS Board Member, Alo Duffy, meeting with European Commission Chief Brexit Negotiator, Michel Barnier

# ICOS BRUSSELS OFFICE



European Affairs Executive, Alison Graham meeting with Fine Gael TDs and the Joint Oireachtas Committee on European Affairs on implications of Brexit for Irish Agri-Food businesses

which would see the UK remain within the Single Market and Customs Union, until 1st January 2021.

We have now entered the third and final stage of the negotiations which will focus on the framework of the future relationship. Ireland and the Northern Irish border will be the chief issue in these discussions, with both the EU and UK agreeing that a solution must be found which will ensure no customs border.

ICOS has been leading the way in Brussels on engagement on this,



Joint Oireachtas Committee on European Affairs on implications of Brexit for Irish Agri-Food businesses

consistently highlighting the implications and interests of Irish agri-food business, through numerous meetings with the European Commission Task Force negotiating the UK's withdrawal as well as with MEPs and UK and Northern Ireland officials; participation in national North-South Consultative Groups and the Department of Agriculture Stakeholder Dialogues and through leadership within our European Associations.

In October 2017, ICOS Board Member - Alo Duffy was elected Chair of a newly created Brexit Task Force within Copa-Cogeca, the European Association of Farmers and Agricultural Co-operatives. This Task Force is involved in assessing the implications of Brexit for cooperative businesses and farmers, and discusses policy options and potential solutions to the technical challenges to help businesses respond and prepare. To keep members informed on the latest news



## CAP REFORM

Clockwise from top left: ICOS President, Martin Keane, presenting Irish Minister for Agriculture, Michael Creed with our proposal for the CAP Post-2020 reform; Keane meeting with MEP and European Parliament Vice-President, Mairead McGuinness on CAP reform; European Affairs Executive, Alison Graham meeting with the Joint Oireachtas Committee on Agriculture on ICOS's CAP Proposals; Keane and ICOS CEO, TJ Flanagan at the European Commission Berlaymont Headquarters to meet Budget officials on the need to protect CAP funding.

and ICOS's activities, we also launched our "Brexit Briefings" in 2017, which provide updates, as they happen.

## OMNIBUS (REG. 2017/2393)

A review of EU funding controls within the "Omnibus Regulation", brought with it a number of changes to the rules within the CAP 2014-2020 policy, in particular to the single CMO. It introduced the concept value sharing clauses within contracts and extended role of producer organisations. ICOS was involved in in depth exchanges with MEPs outlining our opposition to a number of additional proposals put forward, including the introduction of a permanent milk supply management tool, initially proposed to be financed through a levy on producers who increased their production and for the establishment of Bragaining Organisations within the food supply chain. These proposal, as a result of this opposition, were dropped from the final text.

## CAP POST 2020

Following a public consultation, from February – April 2017, the Commission published a Communication on the

"Future of Food and Farming", in November, outlining its proposed new delivery model for the CAP post-2020, which involves a less prescriptive approach and greater national flexibility. ICOS has been actively involved in the consultation process, both on an EU and national level, and has highlighted a number of points within the debate including the need for the new delivery model to ensure genuine simplification and prevent fragmentation of the EU's single market. We are also seeking support for direct payment funding to be better targeted at active commercial farmers and for strong market supports and risk management tools to protect against volatility. In addition, we are calling on MEPs, the European Commission and the Irish Government to prioritise measures that will improve the position of farmers in the supply chain through providing support for the creation and further development of cooperatives and for financing to help cooperatives develop their businesses, within the areas of the circular economy,

bio economy and smart farming technology, to enable them to better support farmers and rural economies. These efforts are support by ICOS Rural Business Committee Chair, James O'Donnell, through his position on the EU LEADER Steering Group.

## EU BUDGET

Throughout our meetings and communication with EU Commission officials, MEPs, and the Irish government, ICOS has additionally emphasised the importance of maintaining, if not increasing, CAP funding, within the EU Multiannual Financial Framework (MFF) 2021-2027. In order to overcome the €15 billion a year budget hole left by Brexit, the European Commission has tabled a Communication on "A new, modern MFF for an EU that delivers efficiently on its priorities post-2020", which proposed potential cuts of 15-30% to CAP funding. ICOS has and continues to call on policy makers to oppose this or any reduction in CAP funding, in order to ensure an effective and sustainable agricultural sector, which

is already under more pressure than ever before, as a result of potential UK market loss, market volatility, climate change and ever-increasing regulatory demands.

### PRIVATE STORAGE AID & PUBLIC INTERVENTION

While overall 2017 was a strong year for EU dairy markets, the shadow of record Skimmed Milk Powder (SMP) stocks (accumulated during the 2015-2016 dairy crisis) loomed over the market. ICOS, together with co-operative organisations in Copa Cogeca and through our positions on the European Commission Civil Dialogue Group for Milk and the Economic Board of the European Milk Market Observatory, are highly involved in discussions with the Commission on how best to support the market, while reducing stocks levels.

### TRADE

2017 was a record year in trade for EU and Irish agri food, with Irish exports up 13% at €12.6 billion. This success was matched by EU Commissioners, Phil Hogan and Cecilia Malmstrom, who succeeded in securing greater market access for EU products through the conclusion of a Free Trade Agreement with Japan and the ratification of an agreement with Canada. In addition, Commissioner Hogan's high-level trade

missions to Canada in May and Saudi Arabia and Iran in November, have been highly successful in addressing trade difficulties, promoting EU agri-food products and aiding the development of international business relations. ICOS remains a strong defender of global trade within the EU arena, calling for fair market access terms and for an EU trade policy which prioritise countries with real market access potential, in particular in South-East Asian and the Middle East.

### ORIGIN LABELLING

National mandatory origin labelling for dairy and beef products was introduced by several EU Member States in 2017. France led the way, with a two-year trail scheme, which requires processors to label the origin of dairy products produced nationally, although for EU imports are not obliged to do so. This was replicated in Italy, Lithuania, Portugal, Romania, Finland, Greece and Spain. ICOS has and will continue to advocate against such schemes which threaten the integrity of the single market and whose negative impact on the single market was almost immediately felt by exporters.

### FOOD SUPPLY CHAIN

In July 2017, the European Commission launched an initiative to 'Improve the Functioning of the Food Supply Chain'

to prevent undue pressure on weaker operators. It aims to address:

- Unfair Trading Practices (UTPs), with EU framework legislation aiming prohibiting certain practices and introducing common minimum enforcement standards to be published in April 2018
- Increasing Market Transparency, by stepping up the collection of data on key products from more levels of the food supply chain and disseminating it via market observatories and online dashboards.
- Effective Producer Co-operation

ICOS has provided continuous feedback on this initiative, emphasising that farmer-owned cooperatives play a hugely positive role in balancing the food supply chain - they integrate the roles of the producer, processor, marketer to add value and increase the economic weight of farmers. ICOS therefore supports action being taken which will strengthen the position of farmers and their cooperatives and improve price transparency

### COMPETITION RULES

There was a number of developments on an EU level relating to competition rules for co-operative businesses which were followed closely by the ICOS Brussels office and our legal team.



### CO-OPERATIVE ISSUES

From Left to Right: Glanbia Co-operative wins the 2017 Cogeca European Award for Co-operative Innovation in the category Business Innovation for their Milk Flex Initiative; European Affairs Executive, Alison Graham attends the US Co-operative Festival in Washington DC for discussions on trade and policy exchange; Graham speaking at Salon de L'Agriculture in Paris, on the topic of generation renewal within co-operatives.



The German Competition Authority (Bundeskartellamt) published a report on its investigation into the milk sector in Germany, which called for number of rule changes in order to “encourage more competition in the sector”, including reducing the length of the notice period to leave a cooperative, removal of the obligation for the farmer to supply 100% of milk to the cooperative; and introduce longer term, pre-set milk prices. The Authority has since suspended this investigation, believing democratically decided rule changes have sufficiently opened up competition in the sector.

The judgement of the Attorney General of the European Court of Justice within the “Endives” Case, (14 November 2017, C-671/15) has provided new clarity on agricultural aspects of competition rules and confirms a special status for producer organisations, including cooperatives. The decision states that producer organisations are key players in the CMO and have responsibility under EU legislation. They have been given functions by this legislation which is legally said to fulfil CAP objectives and therefore they can act by different measures from those which govern normal market operations.

## ANIMAL HEALTH, CLIMATE & ENVIRONMENT VETERINARY MEDICINES REFORM

With increasing pressure on an International and EU level to tackle antimicrobial resistance and reduce antibiotic use in farmed animal, the European Council prioritised work to reform of the EU veterinary medicines regulation in 2017 and discussions between the EU institutions are now in their final stages. Within this debate, ICOS has defended the role of co-operatives, as licensed merchants, to provide an essential route of supply for key animal remedies and are working with dairy co-operatives and the DAFM to ensure the facilitation and development of the highly successful co-operative run mastitis control programmes. ICOS Livestock Services Executive, Ray Doyle continues to highlight our concerns as

well as the efforts undertaken by co-operatives in the area of animal health, through his position on the EU Animal Welfare Stakeholders’ Platform.

## CLIMATE LEGISLATION

2017 was a pivotal year in EU climate change discussions, with an agreement reached on the core legislative frameworks regulating the agricultural sector (Effort Sharing and LULUCF Regulations) and the heavy industries sector (Emission’s Trading Scheme). Within the Effort Sharing agreement Ireland has been set the target of reducing its emissions from 2021-2030, by 30% compared to 2005 levels. However, flexibilities within the system allows us to off-set 9.6% of this. ICOS contributed throughout the legislative process, seeking to ensure these flexibilities, which are crucial to account for the limited mitigation potential of agriculture and for cost efficiency. Reform of the ETS sector also had a positive outcome for Irish dairy cooperatives, as products within the sector will be fairly and individually assessed, so that free carbon allowances can be granted if the thresholds for carbon leakage status are met.

## ENVIRONMENT

Debate on the use of pesticides, GMOS and organic farming raged in Brussels throughout 2017. ICOS, together with other farm organisation, fought to ensure renewed EU authorisation of the herbicide glyphosate, a key tool for grain and dairy farmers, which underwent a protracted and tense review process and months of blockages before gaining reapproval for 5 years in November. Similarly, genetically modified feed within dairy production is becoming an increasingly hot topic in EU countries, particularly Germany and Austria, where retailers are switching over to GM-free products. The ICOS Brussels office continues to monitor developments on this and many other issues within the EU.

## 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, *Jerry Long*

European Commission Dialog Group on Trade and International Aspects of Agriculture, *Alison Graham*

Economic Board of the Milk Market Observatory, *Eamonn Farrell*

EU Animal Health & Welfare Platform, *Ray Doyle*

European Network for Rural Development, *James O'Donnell*

### European Association Fora

Cogeca (European Association of Agri-Cooperatives) Praesidia, *Martin Keane & TJ Flanagan*

AEMB (European Association of Livestock Markets) Praesidia, *Michael Spellman & Ray Doyle*

Copa Cogeca Beef, *Ray Doyle*

Copa Cogeca Tax and Legal Questions, *James Doyle*

Copa Cogeca Dairy, *Eamonn Farrell & Jerry Long*

Copa Cogeca Cooperative Coordination Committee & Policy Coordination Committee, *Alison Graham*

Copa Cogeca CAP & Rural Development, *James O'Donnell*

Copa Cogeca Animal Health & Welfare, *Alison Graham*

Copa Cogeca Food Chain, *Alison Graham*

Copa Cogeca Quality & Health, *Alison Graham*

Copa Cogeca Environment, *Alison Graham*

# MEMBER DEVELOPMENT

## PLUNKETT AWARD FOR CO-OPERATIVE ENDEAVOUR

In December 2017, the outstanding lifelong contribution to the Irish co-operative movement by the former Chairman of Dairygold Co-operative, Bertie O'Leary, Ballymakeera, Macroom, Co. Cork, was recognised nationally by the industry's highest national honour – The Plunkett Award for Co-operative Endeavour.

A highly regarded dairy farmer, Bertie O'Leary's involvement in Dairygold's Co-operative structure began in 1991 when he was elected to their Regional Committee for the Mid-Cork region during a hugely significant period in the company's history following the merger of Ballyclough and Mitchelstown co-operatives. He was then elected onto Dairygold's Board in 2004 and successively re-elected until 2014 when he reached his maximum permitted service period on the Board.

During this time, he served as Vice Chair in 2009 and 2010 before becoming Chairman in 2012 until 2014. During this time, he led the post-quota planning process within the society and pioneered the introduction of Milk Supply Agreements and milk volume forecasting within the dairy industry. This included the development of innovative investment and funding proposals where he led an extensive consultation and approvals process among members.

Mr. O'Leary also served as Dairygold's nominee on the Board of Ornuia from 2013 to 2015. He continues to play an important part in Dairygold as a member of the co-operative's general and regional committees. He sat on the Dairygold Rules Sub Committee in 2004. The primary focus of the Rules review involved the transition of voting rights to active

members of the society and changing the representative structures to ensure cross regional support for elected members of the board.

O'Leary joined the Board of ICOS in 2009 and was elected Vice President later that year. He was also elected Chairman of the Dairy Committee in 2011 and went on to become President of ICOS in 2012 until his retirement from that role in 2014. In his time with ICOS, he also served as a board member of the Golden Jubilee Trust as well as a member of the Trustee Management Committee of the Irish Co-Operative Societies' Pension Scheme.

As ICOS President, Bertie O'Leary led the discussions on the implementation of the National Dairy Assurance Scheme which provides national certification of milk production systems and standards and is a vital element in the international marketing of Irish dairy products. The leadership he showed during his Presidency, combined with his integrity and strength of character, was enormously beneficial to ICOS and to the co-operative movement nationally.

Mr. O'Leary's influential role in the above positions and initiatives are among the many examples of projects which contributed greatly to structural changes and developments which have benefited the overall dairy industry.

## ICOS NATIONAL CONFERENCE

The 41st ICOS National Conference was held in University College Cork, in recognition of the ongoing strategic partnership between ICOS and UCC, in Director Development, and in the promotion of co-operatives. The event had been scheduled for November 2017, but due to logistical concerns was moved to January 2018. It was attended by over 170 directors



*Bertie O'Leary awarded the Plunkett Award.*

of co-ops, as well as researchers, academics and policy makers.

The conference, entitled "Future Proofing your Co-op" featured a number of international and Irish speakers and addressed three themes: Compliance, Generational Renewal and the new CAP. The international speakers included Damian Lacombe, the Chairman of Sodial Co-op in France, Thomas Magnusson, the President of COGECAS, the European Co-operatives representative organisation, Brigitte Misonne of the European Commission and Jim Mulhern, President and CEO of the US National Milk Producers' Federation.

The first session examined a range of topics where regulation is changing and becoming more of a challenge for co-operatives and their members, including data protection, financial governance, antimicrobial resistance, pesticides and water quality. It focussed on how boards of co-ops need to ensure that their businesses are compliant, whilst remaining competitive, and how they themselves can become sufficiently informed on those complex topics so that they can discharge their responsibilities as directors.





The second session addressed generational renewal, amongst farmer and within co-ops. It explained the background to an EU funded ERASMUS project, led by ICOS, where it collaborates with partners in France, Spain, Sweden and Latvia, to create innovative new tools to encourage young farmers to become more involved in their co-operatives. It examined the challenges in attracting young people into farming; with particular emphasis on the People in Dairying project.

The third session asked what the new CAP can and need to deliver. It examined dairy support structures in the US and internationally, and tried to learn from them, as well as looking at the Commissions policy directions, and the realities of the current discussions on the Financial Framework and the CAP budget. It also examined the importance of the CAP to the rural economy, as well as the value of the expanded dairy sector to rural Ireland.

In his address, ICOS President, Martin Keane, emphasised that co-op directors are responsible for ensuring that our businesses are compliant, so we need to familiarise ourselves with the challenges, understand the implications and ensure that we put in place the people, structures, and funding to ensure that we discharge our responsibilities. He said he was pleased to note we're achieving strong progress in this regard.

On Brexit, Keane said the narrative emerging from the UK on Brexit continues to be 'chaotic' and it is still impossible to predict the outcome of the process. "Faced with such uncertainty, our industry must continuously bolster its strength and competitiveness and further intensify its global marketing efforts to ensure continuing growth and success. The good news is that our sector is increasingly its innovation and efficiency all of the time and this must continue."

On CAP, Martin Keane also reiterated ICOS's position as follows:

"In the context of future EU Agricultural policy, we will have to deal with a large hole in the budget. The Commission will remind us that the size of the CAP budget is a matter for the member states to decide. As an industry we must speak with a clear and united voice to defend the CAP budget and demonstrate to the Council that Europe stands to lose enormously if our current model of farming and food production is undermined.



*Jim Mulhern, President & CEO National Milk Producers Federation (USA) speaking at the 41st ICOS National Conference held at UCC.*

"The Policy environment in which we operate is vital to the maintenance of our sustainable family farm model. We have seen what the removal of supports has achieved in New Zealand, they can produce the milk, but at what cost? We must work hard to ensure that the next CAP is well funded and fit for purpose.

"Very significant investments have been made in the future processing capabilities of our industry. Producers have contributed strongly to that including investment and expanded production. The signals in surveys from various dairy co-operatives are all positive with a continuing growth in milk output anticipated. Co-ops have robust and strategic plans in place to deal with this combined challenge and opportunity.



*Delegates at the 41st ICOS National Conference held at UCC.*

"We need a supportive framework in which to operate. That is why the currently proposed CAP reforms are crucially important. Irish farmers and co-operatives are facing unprecedented challenges in the coming years as a result of Brexit, climate change and global market volatility. Under any CAP reforms, market supports and risk management measures will be necessary to protect against this volatility. It's essential for the CAP proposals to be supported with sufficient financing and strong and effective market support and risk management tools. This will provide much needed stability and will enable farmers to meet the outlined goals, including ambitious environmental targets. Income stabilisation tools, such as the ICOS 555 income deferral scheme, will also help to address volatility, allowing farmers to defer a small proportion of their income in a good year and draw it down in a bad one"



*ICOS President Martin Keane is welcomed by UCC President Patrick O'Shea at the 41st ICOS National Conference held at UCC*



# ICOS LEARNING & DEVELOPMENT

## 2017 IN REVIEW

**YET ANOTHER SUCCESSFUL YEAR IN REPRESENTING AND ACTING ON BEHALF OF OUR CO-OPERATIVE MEMBERS**



### FUTURE SKILLS NEEDS

Anticipating and building skills for the future is essential to a rapidly changing labour market. This applies to changes in the types and levels of skills needed as well as in occupational and technical areas.



### Expert Group on Future Skills Needs

The Food Wise 2025 strategy identified the “people” in the agri food sector as key to the sector’s future success. Food Wise recommended that the Expert Group on Future Skills for Industry be established for the Food and Drinks sector. ICOS participated in the expert group for future skills needs (EGFSN) at a national level and is also involved in the Regional Skills Fora for the sector.

### MANAGEMENT DEVELOPMENT PROGRAMME

2017 saw the graduation of the first group of trainees who successfully completed the management development programme that was developed under the FSNP funding stream for the co-operative sector.



The success of this co-operative management development programme was so high, that the programme that was initially scheduled to run once a year, ran three additional times in 2017 and further programmes planned for 2018.

### PRODUCTION SUPERVISORY MANAGEMENT PROGRAMME

Funding was achieved under the FSNP funding stream to develop an industry specific production supervisory management programme for the dairy sector. A working group of the dairy production facilities was established and the net result was the development of an industry specific programme, developed by industry for industry. 2017 saw 21 participants across the dairy production facilities partaking in this new and innovative programme, from Arrabawn, Carbery Group, Dairygold, Glanbia, Kerry, North Cork and Tipperary Co-ops.



## SPECIAL PROJECTS

Erasmus Plus Projects



Erasmus+

ToTCOOP+i Project

TOTCOOP+i



ICOS Learning & Development participated in and saw the conclusion of the ToTCOOP+i project along with 5 other countries, whereby we developed an EU programme aimed specifically at directors of co-operatives and the upskilling of trainers delivering this new EU programme.

The programme consists of 10 modules aimed directly at upskilling active directors on co-op boards.

The project concluded in Spain with a national conference whereby 100 people were in attendance. Presenters from Ireland included Billy Goodburn – Head of Learning and Development and TJ Flanagan – CEO ICOS.

## LEADFARM PROJECT

ICOS Learning & Development along with 4 EU Partner countries, was successful in achieving funding for the “LeadFarm” project. Countries involved in the project include, Ireland, France, Latvia, Spain and Sweden.



The LeadFarm project aims 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 aims to Strengthen the Business Skills to develop the farmer’s career and farm business.

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

The project started in October 2017 and will last for a total of 24 months.

The kick-off meeting involved a stakeholder workshop, which entailed a discussion forum of industry leaders, to get their views in relation to the project and to highlight the challenges that exist for the Irish co-operative sector. It also aimed at establishing first-hand what the needs of industry are and how the project could support these needs.

For further information on the project, please visit [www.leadfarm.eu](http://www.leadfarm.eu) or contact us by email on [info@leadfarm.eu](mailto:info@leadfarm.eu)

## 2017 - PERFORMANCE REVIEW

In 2017, 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 2017 in terms of its design and delivery of business focused training for our members and their employees.

| KEY PERFORMANCE INDICATOR           |          |          |                     |
|-------------------------------------|----------|----------|---------------------|
| Category                            | Target   | Actual   | Percentage Achieved |
| Trainees                            | 1,151    | 1,355    | 118 %               |
| Training Days                       | 6,359    | 7,032    | 114 %               |
| Non-Formal Events                   | 8        | 12       | 150 %               |
| No of Different programmes          | 53       | 80       | 151 %               |
| number of training events supported | 87       | 157      | 180 %               |
| Total Expenditure                   | €520,000 | €573,000 | 110 %               |
| Total Matching                      | €254,000 | €324,000 | 128 %               |

# DIRECTOR DEVELOPMENT PROGRAMMES

## UCC DIPLOMA IN CORPORATE DIRECTION

Directors from co-ops including Aurivo, Bandon, Centenary Thurles, Dairygold, Drinagh, Glanbia, Lakeland Dairies, Lisavaird and the Kerry Group commenced the Diploma in Corporate Direction provided by UCC and ICOS Skillnet, the Continuing Professional Development and Training arm of ICOS.

The Diploma programme runs every two years for co-operative board members and senior management and is designed to address the upskilling needs of co-operative board members and senior management in a rapidly changing agri-business environment.

The key aim of the programme is to improve the leadership capabilities of directors and senior management in positively influencing the strategic direction and corporate governance of food companies in Ireland.

## ICOS DIRECTOR DEVELOPMENT PROGRAMMES

ICOS Skillnet in conjunction with the Plunkett Institute ran a number of Director and Director Designate Programmes throughout 2017. In total 97 directors and 85 directors designate participants successfully completed varying levels of director training.

Our director development programme focuses on the long-term development of skills for leaders and future leaders of the co-operative sector. It addresses the skills gaps that have been identified through a thorough training needs analysis in conjunction with our member organisations and are also aligned with National Strategy and the needs identified in by the EGFSN for sector specific skills "Future Skills Requirements of the Manufacturing Sector 2020", the "National Skills Bulletin 2015", the "Report on Management Development in Ireland", "Food Wise 2025 and the "Food Harvest 2020".

The strategic intent of our "Director Development Programmes" are to upskill current and future leaders in order to support the competitiveness of member organisations across the co-operative sector, sustain and increase market growth, maximise exports and to enable our member organisations to make a significant contribution to the national economy.

Our programmes allow for learning progression from a base level to an advanced level, all of which is accredited and also holds recognition

with the Plunkett Institute of Co-operative Governance.

At base level, participants partake in an initial 2-day director training programme, and then progress onto a 4-day level 2 director training programme and finally finishing in a 1-year Diploma in Corporate Governance (Food Business).

These are directly linked to recognition with the Plunkett Institute of Co-operative Governance, which includes an ongoing continuous professional development requirement over a 2-year cycle. Thus, further supporting a lifelong learning model and creating a sustainable future of the sector.





# PENSIONS

ICOS Ltd is the registered administrator for two group industry-wide pension schemes – the Irish Co-operative Societies' Pension Scheme and the Dairy Executives' Pension Fund, covering 31 contributing co-operatives. Aggregated statistical highlights from the most recent year-end annual reports reflect:

- membership of the two schemes comprises around 650 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 €1.2 million.
- regular employer contributions came to €2.4 million.
- assets under professional management amounted to €190 million (invested in global equities, international government and corporate bonds, commercial property and cash).

- annual pension payroll for co-op retirees and spouses/dependants of deceased co-op employees came to approx. €5 million.
- lump sums paid to new pensioners and dependants of deceased members totalled just over €1.5 million.

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

Dedicated in-house computer systems are utilised in the management of the numerous tasks that arise, ranging from basic member enquiries to full trustee annual reports incorporating audited financial statements & accounts, and statutory disclosures. 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-op 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-ops and managed the other professional inputs into the schemes from actuaries, investment firms, insurers, legal advisors and audit services.

Despite continuing difficult economic conditions for defined benefit pension schemes, both schemes satisfied the statutory funding standard requirements at their most recent respective year-end annual reports.



# ICOS REPRESENTATION ON OTHER BODIES

## Plunkett Institute

|                       |                                    |
|-----------------------|------------------------------------|
| Martin Keane          | President – ICOS Ltd               |
| Michael Spellman      | 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

Martin Keane, Jerry Long, TJ Flanagan

## Tillage Forum

Martin Keane, TJ Flanagan

## Beef Forum

Martin Keane, Michael Spellman, Ray Doyle

## Irish Foundation for Co-operative Development Ltd

|                  |  |
|------------------|--|
| TJ Flanagan      | CEO, ICOS Ltd                              |
| James O'Donnell  | IFAC Ltd                                   |
| Michael O'Connor | Kerry Co-operative Creameries Ltd          |
| Alo Duffy        | Lakeland Dairies Co-operative Society Ltd  |
| Jim Russell      | Centenary Thurles Co-operative Society Ltd |

## Golden Jubilee Trust Limited

|                  |          |                 |                    |
|------------------|----------|-----------------|--------------------|
| Martin Keane     | ICOS Ltd | Sean Brady      | Consultant         |
| Michael Spellman | ICOS Ltd | Noel Cawley     | Chairman – Teagasc |
| Liam Williams    | ICOS Ltd | Siobhán Collier | Partner – PWC      |

## Irish Co-operative Societies Pensions Scheme

TJ Flanagan, Richard Donovan, Sean Monahan, Vacancy

## Dairy Executives Pension Scheme

Peter Fleming, Ben Cottrell, Brian O'Dowd

## Dairy Research Trust Board

Eamonn Farrell, Jerry Long, Pat Duffy

## Ornua Co-operative Society Ltd

Jim Russell

## Teagasc

Padraig Gibbons

## Irish Farm Accounts Co-operative Society Ltd (IFAC)

Alo Duffy

## National Dairy Council

James O'Donnell

## National Milk Agency

TJ Flanagan

## National Economic & Social Council (NESC)

TJ Flanagan

## Farmers Charter

James O'Donnell



## ICOS BOARD

**Martin Keane**

**Michael Spellman**

Sean Monahan

Pat Duffy

Jim Russell

Liam Williams

James Lynch

Jerry Long

Martin Keane

Michael O'Connor

Alo Duffy

James O'Donnell

Dermot O'Leary

Willie Meagher

**Glanbia Co-operative Society Ltd**

**Roscommon Co-operative Livestock Mart Ltd**

Arrabawn Co-operative Society Ltd

Aurivo Co-operative Society Ltd

Centenary Thurles Co-operative Society Ltd

Clare Marts Ltd

Dairygold Co-operative Society Ltd

Drombane Co-operative Society Ltd

Glanbia Co-operative Society Ltd

Kerry Co-operative Creameries Ltd

Lakeland Dairies Ltd

NCFRS Ltd

Ornua Co-operative Society Ltd

Tipperary Co-operative Creamery

## ICOS DAIRY COMMITTEE

**Jerry Long**

Sean Monahan

Pat Duffy

Michael Coleman

Dominic Cronin

Jim Russell

John O'Gorman

Martin Keane

Andrew McConkey

Alo Duffy

John O'Sullivan

Martin O'Keeffe

Dermot O'Leary

William Meagher

**Drombane Co-operative Society Ltd**

Arrabawn Co-operative Society Ltd

Aurivo Co-operative Society Ltd (Replaced Pdraig Gibbons)

Barryroe Co-operative Ltd

Boherbue Co-op Creamery Ltd

Centenary Thurles Co-operative Society Ltd

Dairygold Co-operative Society Ltd (replaced James Lynch)

Glanbia Co-operative Society Ltd

LacPatrick Dairies Ltd

Lakeland Dairies Co-operative Society Ltd

Bandon Co-op

North Cork Co-operative Creameries Ltd

Ornua Co-operative Ltd

Tipperary Co-op Creamery Ltd



## ICOS MARTS COMMITTEE

| <b>Michael Spellman</b> | <b>Roscommon Co-operative Livestock Mart Ltd</b>             |
|-------------------------|--|
| Raymond Barlow          | Aurivo Co-operative Society Ltd (Replaced Pat Duffy)         |
| Sean Brosnan            | Castleisland Co-operative Society Ltd (Replaced Jimmy Roche) |
| Ray Dempsey             | Central Auctions Services Co-operative Society Ltd           |
| Liam Williams           | Clare Marts Ltd  |
| John O'Riordan          | Cork Marts (Replaced Gus Murphy)                             |
| James Kane              | Golden Vale Mart   |
| Charlie Doherty         | Inishowen Co-operative Society Ltd                           |
| Tim O'Connell           | Kanturk Co-operative Mart Ltd (Replaced John Cott)           |
| Michael Parsons         | Kilkenny Co-operative Livestock Mart Ltd                     |
| Francis Burke           | Mid-Tipperary Co-operative Livestock Mart                    |
| Gerry Hoade             | Tuam Co-operative Livestock Mart                             |
| Tom Doyle               | Wexford Farmers Co-operative Society Ltd                     |

## ICOS RURAL BUSINESS COMMITTEE

| <b>James O'Donnell</b> | <b>NCFRS Ltd</b>  |
|------------------------|---|
| Michael Coleman        | Barryroe Co-operative                                     |
| Dominic Cronin         | Boherbue  |
| <b>Ray Dempsey</b>     | <b>Central Auctions Services Co-operative Society Ltd</b> |
| Liam Williams          | Clare Marts Ltd   |
| Gerry Reilly           | Commercial Mushroom Producers Ltd                         |
| Teddy Cashman          | IFAC Ltd  |
| <b>Brendan Lawlor</b>  | <b>IFAC Ltd (Replaced James Kane)</b>                     |
| James Healy            | Macra na Feirme   |
| Aidan McNabola         | National Federation of Group Water Schemes                |
| Michael Spellman       | Roscommon Mart  |
| Andrew Boylan          | Sicin Co-operative  |
| William Meagher        | Tipperary Co-op Creamery Ltd                              |

## ICOS CLIMATE CHANGE WORKING GROUP

|                                  |   |
|----------------------------------|---|
| Martin Keane (Chairman)          | ICOS Ltd                                  |
| Michael Spellman (Vice Chairman) | ICOS Ltd                                  |
| Jerry Long                       | ICOS Ltd                                  |
| Jerry Ryan                       | Arrabawn Co-operative Society Ltd         |
| Anthony Walsh                    | Aurivo Co-operative Society Ltd           |
| Enda Buckley                     | Carbery Ltd                               |
| Dave Fitzgerald                  | Dairygold Co-operative Society Ltd        |
| Audrey O'Shea                    | Glanbia Ingredients Ireland               |
| Sean McCarthy                    | Kerry Agribusiness                        |
| Paul Crossan                     | LacPactrick Co-operative Society Ltd      |
| Rory Farrell                     | Lakeland Dairies Co-operative Society Ltd |
| Jeanne Kelly                     | Ornua Co-operative Society Ltd            |
| Kieran Maguire                   | Tipperary Co-op 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 Directors' Report and the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts 1893 to 2014 require the directors to prepare financial statements for each financial year. Under that law, the Board has elected to prepare the Society's financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 profit or loss for that period. In preparing these 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 they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board are 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 2014. They 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 are also responsible for preparing the Annual Report that complies with the requirements of the Industrial and Provident Societies Act 1893 to 2014.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

**President:** Martin Keane



**Vice President:** Michael Spellman



**Secretary:** T. J. Flanagan





## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

## 1 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 2017 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 the related notes. 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*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the Society as at 31 December 2017 and of its surplus for the year then ended; and
- 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 directors are 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 Society's and the Board's Responsibilities other than the financial statements and our auditor's report thereon. 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.

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 is set out below

As required by section 13(2) of the Industrial and Provident Societies Act 1893, 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.





**IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH CO-OPERATIVE ORGANISATION  
SOCIETY LIMITED- CONTINUED**

**Matters on which we are required to report by exception**

ISAs (Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

**2 RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE**

**Responsibilities of directors for the financial statements**

As explained more fully in the Statement of the Society's and the Board's Responsibilities set on page 1, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for 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 the directors either intends to liquidate the Society or to cease operations, or has 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](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.

A handwritten signature in black ink, appearing to read 'Colm O'Sé', with a long horizontal flourish extending to the right.

**Colm O'Sé**  
**for and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

4 May 2018

## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

**STATEMENT OF PROFIT AND LOSS AND OTHER  
COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2017**

|   | Note | 2017<br>€        | 2016<br>€ |
|---|------|------------------|-----------|
| <b>Turnover</b>   | 2    | <b>1,921,442</b> | 1,885,464 |
| Payroll costs   | 3    | <b>(913,505)</b> | (874,752) |
| Travel and services   | 3    | <b>(263,684)</b> | (309,074) |
| Other overheads   | 3    | <b>(451,503)</b> | (432,168) |
| Finance costs   | 3    | <b>(1,359)</b>   | (1,493)   |
|   |      | <hr/>            | <hr/>     |
| <b>Surplus for the year before state grant and taxation</b> |      | <b>291,391</b>   | 267,977   |
| State grant   |      | <b>12,000</b>    | 12,000    |
|   |      | <hr/>            | <hr/>     |
| <b>Surplus on ordinary activities before taxation</b>       |      | <b>303,391</b>   | 279,977   |
| Taxation  | 4    | <b>(24,310)</b>  | (21,071)  |
|   |      | <hr/>            | <hr/>     |
| <b>Surplus for the year</b>                                 |      | <b>279,081</b>   | 258,906   |
|   |      | <hr/>            | <hr/>     |

All income and expenditure arises solely from continuing operations. No gains or losses were recognised in the current or prior years other than those recognised in the Statement of profit and loss account.

**IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

|  | Note | 2017<br>€        | 2016<br>€ |
|--|------|------------------|-----------|
| <b>Fixed assets</b>  | 5    | <b>66,621</b>    | 69,672    |
| <b>Current assets</b>  |      |                  |           |
| Bank balances and cash   |      | <b>1,134,332</b> | 809,258   |
| Debtors  | 6    | <b>174,727</b>   | 103,207   |
|  |      | <b>1,309,059</b> | 912,465   |
| <b>Creditors:</b> amounts falling due within one year          | 7    | <b>(329,988)</b> | (271,441) |
| <b>Net current assets</b>                                      |      | <b>979,071</b>   | 641,024   |
| <b>Total assets less current liabilities</b>                   |      | <b>1,045,692</b> | 710,696   |
| <b>Creditors:</b> amounts falling due after more than one year | 8    | <b>(55,915)</b>  | -         |
| <b>Net assets</b>  |      | <b>989,777</b>   | 710,696   |
| <b>Capital employed</b>  |      |                  |           |
| Share capital  | 10   | <b>134</b>       | 134       |
| General revenue account surplus                                |      | <b>989,643</b>   | 710,562   |
| <b>Members' funds</b>  |      | <b>989,777</b>   | 710,696   |

On behalf of the Board

**President:** Martin Keane



**Vice President:** Michael Spellman



**Secretary:** T. J. Flanagan





## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2017**

|  | Called up<br>share capital | General revenue<br>account | Total          |
|--|----------------------------|----------------------------|----------------|
|  | €                          | €                          | €              |
| Balance at 1 January 2016                      | 134                        | 451,656                    | 451,790        |
| <b>Total comprehensive income for the year</b> |                            |                            |                |
| Surplus for the year                           | -                          | 258,906                    | 258,906        |
|  | <hr/>                      | <hr/>                      | <hr/>          |
| Total comprehensive income for the year        | -                          | 258,906                    | 258,906        |
|  | <hr/>                      | <hr/>                      | <hr/>          |
| <b>Balance at 31 December 2016</b>             | <b>134</b>                 | <b>710,562</b>             | <b>710,696</b> |
|  | <hr/> <hr/>                | <hr/> <hr/>                | <hr/> <hr/>    |
| Balance at 1 January 2017                      | 134                        | 710,562                    | 710,696        |
| <b>Total comprehensive income for the year</b> |                            |                            |                |
| Surplus for the year                           | -                          | 279,081                    | 279,081        |
|  | <hr/>                      | <hr/>                      | <hr/>          |
| Total comprehensive income for the year        | -                          | 279,081                    | 279,081        |
|  | <hr/>                      | <hr/>                      | <hr/>          |
| <b>Balance at 31 December 2017</b>             | <b>134</b>                 | <b>989,643</b>             | <b>989,777</b> |
|  | <hr/> <hr/>                | <hr/> <hr/>                | <hr/> <hr/>    |

## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Note | 2017<br>€        | 2016<br>€ |
|--|------|------------------|-----------|
| <b>Cash flows from operating activities</b>          |      |                  |           |
| Surplus for the year                                 |      | 279,081          | 258,906   |
| Adjustments for:                                     |      |                  |           |
| Depreciation and amortisation                        |      | 16,579           | 15,030    |
| Interest payable and similar charges                 |      | 1,359            | 1,493     |
| Taxation   |      | 24,310           | 21,071    |
|  |      | <b>321,329</b>   | 296,500   |
| (Increase)/decrease in trade and other debtors       |      | (71,520)         | 106,444   |
| Decrease/(increase) in trade and other creditors     |      | 115,262          | (370,978) |
|  |      | <b>365,071</b>   | 31,966    |
| Tax paid   |      | (25,110)         | (61,980)  |
|  |      | <b>339,961</b>   | (30,014)  |
| <b>Cash flows from investing activities</b>          |      |                  |           |
| Acquisition of tangible fixed assets                 |      | (13,528)         | (9,818)   |
| <b>Net cash from investing activities</b>            |      | <b>(13,528)</b>  | (9,818)   |
| <b>Cash flows from financing activities</b>          |      |                  |           |
| Interest paid  |      | (1,359)          | (1,493)   |
| Repayment of Golden Jubilee Trust loan               |      | -                | (250,000) |
| <b>Net cash from financing activities</b>            |      | <b>(1,359)</b>   | (251,493) |
| Net increase/(decrease) in cash and cash equivalents |      | <b>325,074</b>   | (291,325) |
| Cash and cash equivalents at 1 January               |      | <b>809,258</b>   | 1,100,583 |
| <b>Cash and cash equivalents at 31 December 2017</b> |      | <b>1,134,332</b> | 809,258   |

## 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, as issued in August 2014, and Irish statute comprising the Industrial Provident Societies Acts, 1893 to 2014 under the historical cost convention.

#### 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 2020. 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 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  |
| Motor vehicles                    | 5 years  |
| Artwork                           | -        |

#### 1.6 Retirement benefits

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



# IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS

#### 1 Accounting policies (continued)

##### 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, 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

|   | 2017             | 2016             |
|---|------------------|------------------|
|   | €                | €                |
| Societies' contributions received   | 1,303,389        | 1,265,937        |
| Other income and management recharges                                       | 63,770           | 82,635           |
| Seminars, training and education  | 477,502          | 475,572          |
| Grants and management recharges received from The Golden Jubilee Trust Fund | 50,000           | 50,000           |
| Other Income – Erasmus  | 26,781           | 11,320           |
|   | <u>1,921,442</u> | <u>1,885,464</u> |

## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

**NOTES (CONTINUED)****3 Expenditure**

|  | 2017           | 2016           |
|--|----------------|----------------|
|  | €              | €              |
| <b>Payroll</b>                                       |                |                |
| Salaries and state insurance                         | 850,596        | 808,317        |
| Pension cost   | 62,909         | 66,435         |
|  | <u>913,505</u> | <u>874,752</u> |
| <b>Travel and services</b>                           |                |                |
| Travel expenses                                      | 197,388        | 188,487        |
| Public relations, education and training             | 33,601         | 85,241         |
| Postage and telecommunications                       | 20,447         | 24,519         |
| Printing and stationery                              | 12,248         | 10,827         |
|  | <u>263,684</u> | <u>309,074</u> |
| <b>Overheads</b>                                     |                |                |
| Rent, rates, light, insurance and household expenses | 122,784        | 126,945        |
| Subscriptions  | 45,533         | 44,225         |
| Professional fees                                    | 133,432        | 132,263        |
| Maintenance and repairs                              | 19,608         | 28,309         |
| Depreciation of fixed assets                         | 16,579         | 15,029         |
| Plunkett Institute                                   | 5,157          | 5,118          |
| Miscellaneous expenses                               | 103,067        | 80,279         |
| Erasmus expenditure                                  | 5,343          | -              |
|  | <u>451,503</u> | <u>432,168</u> |
| <b>Finance costs</b>                                 |                |                |
| Interest and charges                                 | 1,359          | 1,493          |
|  | <u>1,359</u>   | <u>1,493</u>   |

## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

## NOTES (CONTINUED)

## 4 Taxation

|  | 2017          | 2016          |
|--|---------------|---------------|
|  | €             | €             |
| <b>Current tax</b>                                   |               |               |
| Irish corporation tax charge on surplus for the year | 24,310        | 21,071        |
| <b>Total tax charge for the year</b>                 | <u>24,310</u> | <u>21,071</u> |

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:

|  | 2017                   | 2016            |
|--|------------------------|-----------------|
|  | €                      | €               |
| Surplus for the year   | <b>279,081</b>         | 258,906         |
| Total tax charge   | <u><b>24,310</b></u>   | <u>21,071</u>   |
| Surplus excluding tax  | <u><b>303,391</b></u>  | <u>279,977</u>  |
| Surplus for year multiplied by the average rate of Irish corporation tax for the year of 12.5% | <b>37,924</b>          | 34,997          |
| Effect of:   |                        |                 |
| Non-taxable grant income   | <b>(1,500)</b>         | (1,500)         |
| Income taxed at higher rate  | <b>37</b>              | 69              |
| Expenses not deductible for tax purposes   | -                      | 12              |
| Movement on unrecognised deferred tax  | <u><b>(12,151)</b></u> | <u>(12,507)</u> |
| <b>Total tax expense for the year</b>  | <u><b>24,310</b></u>   | <u>21,071</u>   |

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

Deferred tax assets of €255 (2016: €11,520) have not been recognised.



## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

## NOTES (CONTINUED)

| <b>5 Fixed assets</b>           | <b>Furniture,<br/>fittings and<br/>equipment</b> | <b>Computer<br/>equipment</b> | <b>Art<br/>work</b> | <b>Total</b>   |
|---------------------------------|--|-------------------------------|---------------------|----------------|
|                                 | €  | €                             | €                   | €              |
| <b>Cost/valuation</b>           |  |                               |                     |                |
| At 31 December 2016             | 37,536   | 109,381                       | 47,500              | 194,417        |
| Additions                       | 518  | 13,010                        | -                   | 13,528         |
| <b>At 31 December 2017</b>      | <b>38,054</b>                                    | <b>122,391</b>                | <b>47,500</b>       | <b>207,945</b> |
| <b>Accumulated depreciation</b> |  |                               |                     |                |
| At 31 December 2016             | 35,618   | 89,127                        | -                   | 124,745        |
| Charge for year                 | 1,304  | 15,275                        | -                   | 16,579         |
| <b>At 31 December 2017</b>      | <b>36,922</b>                                    | <b>104,402</b>                | <b>-</b>            | <b>141,324</b> |
| <b>Net book amounts</b>         |  |                               |                     |                |
| <b>At 31 December 2017</b>      | <b>1,132</b>                                     | <b>17,989</b>                 | <b>47,500</b>       | <b>66,621</b>  |
| At 31 December 2016             | 1,918  | 20,254                        | 47,500              | 69,672         |

| <b>6 Debtors</b>                            | <b>2017</b>    | <b>2016</b> |
|---|----------------|-------------|
|   | €              | €           |
| Trade debtors                               | <b>868</b>     | 8,107       |
| Prepayments and other debtors               | <b>23,382</b>  | 34,197      |
| Corporation tax                             | -              | 10,079      |
| <b>Amounts due from related parties:</b>    |                |             |
| ICOS Skillnet project                       | <b>48,172</b>  | -           |
| Golden Jubilee Trust Fund                   | <b>17,827</b>  | 7,925       |
| Irish Co-operative Societies Pension Scheme | <b>75,910</b>  | 42,899      |
| Dairy Executives Pension Scheme             | <b>8,568</b>   | -           |
|   | <b>174,727</b> | 103,207     |

## IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED

**NOTES** (CONTINUED)

| <b>7 Creditors:</b> amounts falling due within one year | <b>2017</b>    | 2016           |
|---|----------------|----------------|
|   | €              | €              |
| Creditors and accruals                                  | 232,711        | 230,841        |
| PAYE  | 30,657         | 29,504         |
| VAT   | 6,507          | 11,096         |
| Corporation tax   | 4,198          | -              |
| Deferred income – Erasmus (note 11)                     | 16,897         | -              |
| Other creditors   | 39,018         | -              |
|   | <u>329,988</u> | <u>271,441</u> |

| <b>8 Creditors:</b> amounts falling due after more than one year | <b>2017</b>   | 2016     |
|--|---------------|----------|
|  | €             | €        |
| Deferred income – Erasmus (note 11)                              | 16,897        | -        |
| Other creditors  | 39,018        | -        |
|  | <u>55,915</u> | <u>-</u> |

**9 Retirement benefits**

The Society's contributions to PRSA's are charged to the income and expenditure accounts as incurred and amounted to €62,909 (2016: €66,435) in the year.

| <b>10 Share capital</b> | <b>Number</b> | <b>€</b>   |
|-------------------------|---------------|------------|
| At 31 December 2017     | <u>134</u>    | <u>134</u> |

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

**IRISH CO-OPERATIVE ORGANISATION SOCIETY LIMITED****NOTES (CONTINUED)****11 Deferred Income**

In October 2017, the Society received a grant as part of the Erasmus+ programme, a project which will run from 1 October 2017 to 30 September 2019.

The Society has recognised deferred income of €33,794, of which €16,897 will be recognised in 2018 and €16,897 will be recognised in 2019.

**12 Related parties**

*Transactions with key management personnel*

Total compensation of key management personnel (including the directors) in the year amounted to €230,877 (2016: €224,218).

**13 Accounting estimates and judgements**

*Key sources of estimation uncertainty*

The preparation of financial statements in conformity with FRS 102 requires management to make judgments, 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 directors, there are no sources of estimation uncertainty which may cause material adjustment to the financial statements going forward.

**14 Approval of financial statements**

The Board approved the financial statements on 4 May 2018.





| Dairy Co-operative Societies and Associated Trading Entities 2016 |   |                             |             |                     |                                |                                  |                       |                                       |                              |   |           |                     |        |
|---|---|-----------------------------|-------------|---------------------|--------------------------------|----------------------------------|-----------------------|---------------------------------------|------------------------------|---|-----------|---------------------|--------|
| Trading performance €'000   |   |                             |             | Balance sheet €'000 |                                |                                  |                       |                                       |                              |   |           |                     |        |
|   |   |                             |             | Assets employed     |                                | 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   | Arrabawn Co-operative Society Ltd                     | 374                         | 3,740       | 199,725             | 9,982                          | 4,537                            | 2.27%                 | 40,381                                | 54,279                       | 47,873                                  | 4,578     | 1,828               | 9.56%  |
| 2   | Bandon CA&DS Ltd                                      | 302                         | 670         | 128,684             | 8,187                          | 6,020                            | 4.68%                 | 14,446                                | 83,247                       | 79,792                                  | 1,993     | 1,462               | 2.50%  |
| 3   | Barryroe Co-operative Ltd                             | 303                         | 595         | 119,959             | 8,466                          | 6,738                            | 5.62%                 | 16,293                                | 108,661                      | 96,390                                  | 8,035     | 4,236               | 8.34%  |
| 4   | Boherbue CA&DS Ltd                                    | 43                          | 181         | 18,120              | 1,981                          | 179                              | 0.99%                 | 3,108                                 | 11,229                       | 10,165                                  | 0         | 1,064               | 0.00%  |
| 5   | Callan CA&DS Ltd                                      | 35                          | 178         | 17,354              | 294                            | 17                               | 0.10%                 | 1,862                                 | 14,625                       | 12,624                                  | 0         | 2,001               | 0.00%  |
| 6   | Centenary Thurles Co-operative Society Ltd            | 122                         | 1,255       | 76,217              | 208                            | -913                             | -1.20%                | 15,528                                | 61,291                       | 54,378                                  | 76        | 6,837               | 0.14%  |
| 7   | Aurivo Co-operative Society Ltd                       | 650                         | 14,740      | 391,036             | 16,419                         | 10,115                           | 2.59%                 | 20,419                                | 91,276                       | 55,139                                  | 16,563    | 19,574              | 30.04% |
| 8   | Dairygold Co-operative Society Ltd                    | 1,191                       | 7,288       | 756,065             | 33,273                         | 6,854                            | 0.91%                 | 233,300                               | 421,027                      | 307,621                                 | 6,731     | 106,675             | 2.19%  |
| 9   | Drinagh Co-operative Ltd                              | 197                         | 2,380       | 109,726             | 10,300                         | 8,267                            | 7.53%                 | 25,023                                | 129,276                      | 124,651                                 | 12,562    | -7,937              | 10.08% |
| 10  | Drombane CA&DS Ltd                                    | 9                           | 200         | 6,921               | -543                           | -595                             | -8.60%                | 508                                   | 7,668                        | 6,049                                   | 0         | 1,619               | 0.00%  |
| 11  | Fealesbridge & Headleysbridge Co-op Dairy Society Ltd | 8                           | 335         | 6,253               | -128                           | -162                             | -2.59%                | 296                                   | 2,728                        | 2,728                                   | 0         | 0                   | 0.00%  |
| 12  | Glanbia Co-operative Society Ltd                      | 6,200                       | 14,773      | 3,622,068           | 334,975                        | 274,771                          | 7.59%                 | 1,005                                 | 2,643,723                    | 1,368,726                               | 602,202   | 672,795             | 44.00% |
| 13  | Omua Co-operative Ltd                                 | 1,915                       | 38          | 1,749,367           | 26,319                         | 15,779                           | 0.90%                 | 173,377                               | 577,808                      | 503,522                                 | 0         | 74,286              | 0.00%  |
| 14  | Kerry Co-operative Creameries Ltd                     | 0                           | 13,131      | 6,130,600           | 747,500                        | 632,800                          | 10.32%                | 1,451,900                             | 5,728,500                    | 3,094,000                               | 2,018,200 | 616,300             | 65.23% |
| 15  | Lakeland Dairies Co-operative Society Ltd             | 780                         | 4,712       | 601,033             | 18,617                         | 1,171                            | 0.19%                 | 123,822                               | 171,630                      | 101,927                                 | 47,383    | 22,320              | 46.49% |
| 16  | Lee Strand Co-operative Creamery Ltd                  | 115                         | 248         | 30,265              | -363                           | -3,603                           | -11.90%               | 31,816                                | 11,495                       | 10,109                                  | 459       | 927                 | 4.54%  |
| 17  | Lisavaid Co-operative Creamery Ltd                    | 202                         | 1,031       | 105,448             | 8,182                          | 6,246                            | 5.92%                 | 12,731                                | 83,015                       | 78,384                                  | 3,852     | 779                 | 4.91%  |
| 18  | Maudabawn Co-op & Dairy Society Ltd                   | 9                           | 190         | 8,881               | 136                            | 103                              | 1.16%                 | 218                                   | 2,571                        | 2,314                                   | 0         | 257                 | 0.00%  |
| 19  | Mullinahone Co-operative Dairy Society Ltd            | 75                          | 50          | 25,572              | 1,409                          | 966                              | 3.78%                 | 1,059                                 | 10,459                       | 9,875                                   | 15        | 569                 | 0.15%  |
| 20  | Newtownsandes Co-operative Dairy Society Ltd          | 11                          | 281         | 10,097              | -44                            | -100                             | -0.99%                | 115                                   | 4,870                        | 4,870                                   | 0         | 0                   | 0.00%  |
| 21  | North Cork Co-operative Creameries Ltd                | 75                          | 346         | 67,931              | 1,025                          | -502                             | -0.74%                | 9,805                                 | 17,396                       | 16,195                                  | 0         | 1,201               | 0.00%  |
| 22  | Tipperary Co-operative Creamery Ltd                   | 205                         | 1,827       | 171,517             | 6,470                          | 2,333                            | 1.36%                 | 24,582                                | 39,500                       | 33,339                                  | 20,411    | -14,250             | 61.22% |
| 23  | LacPatrick Co-operative Ltd                           | 343                         | 577         | 234,481             | 2,119                          | -1,475                           | -0.63%                | 74,912                                | 101,559                      | 74,766                                  | 0         | 26,793              | 0.00%  |
|   | Total   | 13,164                      | 68,766      | 14,587,320          | 1,234,784                      | 969,546                          | 6.65%                 | 2,276,506                             | 10,377,833                   | 6,095,437                               | 7,743,060 | 1,539,336           | 45.00% |

\* 2014 Information  
\*\* 2015 Information  
\*\*\* Not all information received

Societies Not Listed: Wexford Milk Producers Co-operative Society Ltd

# CO-OPERATIVE STATISTICS: MART CO-OPERATIVE STATISTICS

| Mart Co-operative Societies 2016 |  |    |         |                                   |             |                     |                                      |  |                          |   |                                    |   |        |                           |
|----------------------------------|--|----|---------|-----------------------------------|-------------|---------------------|--------------------------------------|--|--------------------------|---|------------------------------------|---|--------|---------------------------|
|                                  | Trading performance €'000                          |    |         |                                   |             | Balance sheet €'000 |                                      |  |                          |   |                                    |   |        |                           |
|                                  |  |    |         |                                   |             |                     |                                      |  |                          |   |                                    |   |        |                           |
|                                  | Society  |    | Members | Employees<br>(inc part /<br>time) | Total sales | EBITDA              | Net profit<br>/ (loss)<br>before tax | Net profit<br>/ (loss) as a<br>% sales | Assets employed          | Financed by                                 |                                    |   |        |                           |
|                                  |  |    |         |                                   |             |                     |                                      |  | Tangible<br>fixed assets | Total assets<br>less current<br>liabilities | Shareholders<br>/ Members<br>Funds | Bank<br>overdraft<br>/ loans &<br>finance<br>leases | Other  | Debt /<br>equity<br>ratio |
| 1                                | Athenry Co-operative Mart Ltd                      | ** | 1,600   | 25                                | 861         | 184                 | 93                                   | 10.80%                                 | 1,307                    | 3,837                                       | 3,828                              | 9   | 0      | 0.24%                     |
| 2                                | Ballyjamesduff Co-operative Livestock Mart Ltd     |    | 461     | 42                                | 21,395      | -30                 | -94                                  | -0.44%                                 | 1,070                    | 3,561                                       | 3,555                              | 7   | -1     | 0.20%                     |
| 3                                | Castleisland Co-operative Mart Ltd                 |    | 310     | 20                                | 27,972      | 39                  | -34                                  | -0.12%                                 | 2,263                    | 3,113                                       | 3,064                              | 0   | 49     | 0.00%                     |
| 4                                | Castlerea Co-operative Livestock Mart Ltd          |    | 670     | 31                                | 29,234      | 149                 | 109                                  | 0.37%                                  | 1,116                    | 2,400                                       | 2,400                              | 0   | 0      | 0.00%                     |
| 5                                | Central Auctions Services Co-operative Society Ltd |    | 1,500   | 35                                | 1,428       | 326                 | 205                                  | 14.36%                                 | 2,382                    | 5,233                                       | 5,137                              | 0   | 96     | 0.00%                     |
| 6                                | Clare Marts Ltd                                    |    | 2,393   | 42                                | 1,894       | 1,749               | 1,636                                | 86.38%                                 | 3,545                    | 9,057                                       | 7,856                              | 0   | 1,201  | 0.00%                     |
| 7                                | Cork Co-operative Marts Ltd                        |    | 9,740   | 100                               | 13,002      | 2,002               | 1,383                                | 10.64%                                 | 35,130                   | 33,437                                      | 20,553                             | 11,240  | 1,644  | 54.69%                    |
| 8                                | East Donegal Co-operative Livestock Mart Ltd       |    | 260     | 20                                | 16,174      | -9                  | -32                                  | -0.20%                                 | 427                      | 1,158                                       | 1,158                              | 0   | -0     | 0.03%                     |
| 9                                | Marglann an Daingean Teo (Dingle Mart)             |    | 398     | 15                                | 288         | 91                  | 50                                   | 17.36%                                 | 518                      | 483   | -242                               | 725   | 0      | -299.59%                  |
| 10                               | Golden Vale Co-operative Mart Ltd                  |    | 4,905   | 111                               | 6,473       | 1,883               | 1,103                                | 17.04%                                 | 4,940                    | 42,682                                      | 22,205                             | 18,626  | 1,851  | 83.88%                    |
| 11                               | Iveragh Co-operative Farmer Mart Society Ltd       |    | 447     | 13                                | 275         | 46                  | 18                                   | 6.55%                                  | 280                      | 346   | 257                                | 27  | 62     | 10.51%                    |
| 12                               | Kanturk Co-operative Mart Ltd                      |    | 170     | 20                                | 588         | 136                 | 78                                   | 13.27%                                 | 1,633                    | 2,078                                       | 1,298                              | 327   | 453    | 25.19%                    |
| 13                               | Kenmare Livestock Mart Co-op Society Ltd           |    | 380     | 17                                | 486         | 92                  | 76                                   | 15.64%                                 | 479                      | 1,207                                       | 1,206                              | 0   | 1      | 0.00%                     |
| 14                               | Kilkenny Co-operative Livestock Ltd                |    | 1,717   | 35                                | 1,803       | 452                 | 2                                    | 0.11%                                  | 10,414                   | 9,828                                       | 3,864                              | 5,912   | 52     | 153.00%                   |
| 15                               | Kingdom Co-operative Livestock Mart Ltd            |    | 716     | 9                                 | 386         | 160                 | 93                                   | 24.09%                                 | 1,043                    | 2,236                                       | 1,435                              | 801   | 0      | 55.82%                    |
| 16                               | Leinster Co-operative Marts Ltd                    |    | 950     | 18                                | 612         | 98                  | 33                                   | 5.39%                                  | 2,169                    | 1,992                                       | 1,508                              | 0   | 484    | 0.00%                     |
| 17                               | Mayo Sligo Co-operative Mart Ltd                   |    | 812     | 32                                | 828         | 211                 | 148                                  | 17.87%                                 | 1,255                    | 4,136                                       | 4,136                              | 0   | 0      | 0.00%                     |
| 18                               | Mid Kerry Co-operative Mart Ltd                    |    | 414     | 11                                | 242         | 21                  | -3                                   | -1.24%                                 | 468                      | 706   | 666                                | 14  | 26     | 2.10%                     |
| 19                               | Mid Tipperary Co-operative Livestock Society Ltd   |    | 943     | 29                                | 842         | 139                 | 37                                   | 4.39%                                  | 782                      | 1,869                                       | 1,732                              | 0   | 137    | 0.00%                     |
| 20                               | Roscommon Co-operative Livestock Mart Ltd          |    | 524     | 27                                | 855         | 131                 | 104                                  | 12.16%                                 | 2,770                    | 3,203                                       | 2,605                              | 584   | 14     | 22.42%                    |
| 21                               | Templemore Co-operative Livestock Mart Ltd         |    | 800     | 0                                 | 10,371      | 38                  | 26                                   | 0.25%                                  | 192                      | 613   | 612                                | 0   | 1      | 0.00%                     |
| 22                               | Tuam Co-operative Livestock Mart Ltd               |    | 1,330   | 21                                | 4,188       | 181                 | 140                                  | 3.34%                                  | 877                      | 2,662                                       | 2,604                              | 0   | 58     | 0.00%                     |
| 23                               | Waterford Ross Co-op-eative Mart Ltd               |    | 1,150   | 32                                | 781         | 260                 | 225                                  | 28.81%                                 | 863                      | 1,550                                       | 1,444                              | 101   | 5      | 6.99%                     |
| 24                               | Wexford Farmers Co-operative Society Ltd           |    | 3,432   | 25                                | 21,321      | 233                 | 85                                   | 0.40%                                  | 8,623                    | 5,809                                       | 4,199                              | 5,335   | -3,725 | 127.05%                   |
| 25                               | Elphin Co-operative Livestock Mart Ltd             |    | 679     | 23                                | 480         | 29                  | 3                                    | 0.63%                                  | 775                      | 1,158                                       | 1,068                              | 70  | 20     | 6.55%                     |
| 26                               | Inishowen Co-operative Society Limited             |    | 2115    | 64                                | 17,863      | 611                 | 399                                  | 2.23%                                  | 3875                     | 28514                                       | 23641                              | 0   | 0      | 0.00%                     |
|                                  | Total  |    | 38,816  | 817                               | 180,642     | 9,222               | 5,883                                | 3.26%                                  | 89,196                   | 172,868                                     | 121,789                            | 43,778  | 2,428  | 35.95%                    |

\* 2014 information \*\* 2015 information \*\*\* Not all information received



## CO-OPERATIVE STATISTICS: OTHER CO-OPERATIVE STATISTICS

| Other Co-operative Societies 2016           |   |    |                     |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
|---|---|----|---------------------|-----------------------------------|----------------|--------|--|--|-----------------------------|---|------------------------------------|---|--------|---------------------------|
|   |   |    | Balance sheet €'000 |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
|   |   |    |                     |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
| Society                                     |   |    | Members             | Employees<br>(Inc part /<br>time) | Total<br>sales | EBITDA | Net<br>profit<br>/ (loss)<br>before<br>tax | Net profit<br>/ (loss) as<br>a % sales | Tangible<br>fixed<br>assets | Total assets<br>less current<br>liabilities | Shareholders<br>/ Members<br>Funds | Bank<br>overdraft<br>/ loans &<br>finance<br>leases | Other  | Debt /<br>equity<br>ratio |
| CATTLE BREEDING SOCIETIES                   |   |    |                     |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
| 1   | South Eastern Cattle Breeding Society Ltd               |    | 8                   | 42                                | 6,206          | 1,075  | 756  | 12.18%                                 | 7,405                       | 10,098                                      | 9,519                              | 475   | 104    | 4.99%                     |
| STORE SOCIETIES                             |   |    |                     |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
| 2   | Templecraone Co-operative Agricultural Society Ltd      | *  | 1,407               | 116                               | 13,340         | 359    | -93  | -0.70%                                 | 8,716                       | 648   | 9,676                              | 644   | -9,672 | 6.66%                     |
| 3   | Corcaghan CA&DS Ltd                                     | *  | 299                 | 5                                 | 2,342          | 150    | 63   | 2.69%                                  | 75                          | 2,643                                       | 2,643                              | 0   | 0      | 0.00%                     |
| 4   | Mayo Abbey Co-operative Argicultural & Dairy Society    | *  | 0                   | 1                                 | 1,017          | 9      | 8  | 0.79%                                  | 4                           | 306   | 306                                | 0   | 0      | 0.00%                     |
| 5   | Clonleigh Co-operative Agricultural Society Ltd         |    | 500                 | 24                                | 24,339         | 509    | 361  | 1.48%                                  | 1,550                       | 5,417                                       | 5,417                              | 0   | 0      | 0.00%                     |
| SPECIALIST BREEDING SOCIETIES               |   |    |                     |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
| 6   | Irish Angus Cattle Society Ltd                          |    | 1,170               | 2                                 | 333            | 65     | 65   | 19.52%                                 | 147                         | 831   | 831                                | 0   | 0      | 0.00%                     |
| 7   | Irish Charolais Cattle Society Ltd                      |    | 7,064               | 5                                 | 753            | 90     | 82   | 10.89%                                 | 30                          | 1,740                                       | 1,740                              | 0   | 0      | 0.00%                     |
| 8   | Irish Limousin Cattle Society Ltd                       |    | 2,503               | 5                                 | 594            | -13    | -20  | -3.37%                                 | 255                         | 1,082                                       | 1,082                              | 0   | 0      | 0.00%                     |
| 9   | Irish Charollais Sheep Society Ltd                      | *  | 262                 | 0                                 | 101            | 25     | 22   | 21.78%                                 | 1                           | 58  | 58                                 | 0   | 0      | 0.00%                     |
| 10  | Montbeliarde Cattle Society of Ireland Ltd              |    | 262                 | 0                                 | 16             | 2      | 2  | 12.50%                                 | 1                           | 7   | 7                                  | 0   | 0      | 0.00%                     |
| RURAL DEVELOPMENT & MISCELLANEOUS SOCIETIES |   |    |                     |                                   |                |        |  |  |                             |   |                                    |   |        |                           |
| 11  | National Federation of Group Water Schemes Ltd          |    | 391                 | 11                                | 734            | 472    | 468  | 63.76%                                 | 16                          | 426   | 426                                | 0   | 0      | 0.00%                     |
| 12  | Bulgaden Group Water Scheme Co-op Society Ltd           | *  | 130                 | 0                                 | 49             | 11     | 4  | 8.16%                                  | 79                          | 115   | 53                                 | 0   | 62     | 0.00%                     |
| 13  | Kilmoeve/Urlaur GWS Co-op Society Ltd                   | *  | 703                 | 1                                 | 187            | -9     | -9   | -4.81%                                 | 0                           | 162   | 162                                | 0   | 0      | 0.00%                     |
| 14  | Newtowndaly Group Water Scheme Co-operative Society Ltd | *  | 94                  | 0                                 | 11             | 1      | 9  | 81.82%                                 | 1                           | 40  | 56                                 | 0   | -16    | 0.00%                     |
| 15  | Country Markets Ltd                                     | *  | 2,135               | 1                                 | 1,863          | -21    | -23  | -1.23%                                 | 12                          | 200   | 200                                | 0   | 0      | 0.00%                     |
| 16  | Commercial Mushroom Producers Co-op Society Ltd         |    | 95                  | 13                                | 199,571        | 2,253  | 90   | 0.05%                                  | 4,933                       | 6,925                                       | 928                                | 5,400   | 597    | 581.90%                   |
| 17  | Irish Farm Accounts Co-operative Society Ltd (IFAC)     |    | 17,116              | 140                               | 16,952         | 879    | 291  | 1.72%                                  | 7,369                       | 13,633                                      | 13,969                             | 0   | -336   | 0.00%                     |
| 18  | Irish Horse Board Co-operative Ltd                      |    | 31,525              | 0                                 | 185            | 9      | 9  | 4.86%                                  | 0                           | 231   | 231                                | 0   | 0      | 0.00%                     |
| 19  | Farm Development Co-operative Ltd                       |    | 475                 | 0                                 | 308            | 305    | 209  | 67.86%                                 | 3,579                       | 3,591                                       | 2,975                              | 588   | 28     | 19.76%                    |
| 20  | National Co-operative Farm Relief Services Ltd          | ** | 8                   | 83                                | 11,160         | 921    | 885  | 7.93%                                  | 241                         | 3,026                                       | 3,026                              | 0   | 0      | 0.00%                     |
| 21  | Narin Portnoo Rosbeg Community Co-op Society Ltd        |    | 327                 | 0                                 | 8              | 25     | -7   | -87.50%                                | 723                         | 771   | 323                                | 0   | 448    | 0.00%                     |
| 22  | Caravan, Camping and Mobile Home Society Ltd            |    | 124                 | 0                                 | 145            | 13     | 13   | 0.00%                                  | 0                           | 216   | 216                                | 0   | 0      | 0.00%                     |
| 23  | The Kerry Bog Pony Co-op Society Ltd                    | *  | 214                 | 0                                 | 4              | -22    | -26  | -650.00%                               | 0                           | 7   | 7                                  | 0   | 0      | 0.00%                     |
| 24  | Blackstairs Group Water Scheme Society Ltd              |    | 1,100               | 2                                 | 186            | -33    | -34  | -18.28%                                | 286                         | 488   | 488                                | 0   | 0      | 0.00%                     |
| 25  | Sicín Co-operative Society Ltd                          | ** | 62                  | 2                                 | 116,163        | 8      | 8  | 0.00%                                  | 0                           | -6  | -6                                 | 0   | 0      | 0.00%                     |
| 26  | Unity Co-operative Society Ltd                          | *  | 7                   | 2                                 | 218            | 37     | 25   | 11.47%                                 | 2                           | 33  | 33                                 | 0   | 0      | 0.00%                     |
| 27  | Peterswell - Castledaly GWS Co-op Society Ltd           | *  | 358                 | 0                                 | 110            | -9     | -9   | -8.18%                                 | 144                         | 267   | 267                                | 0   | 0      | 0.00%                     |
| 28  | Inishowen Tourism Society Ltd                           | *  | 0                   | 0                                 | 128            | 9      | 8  | 6.25%                                  | 1                           | 27  | 27                                 | 0   | 0      | 0.00%                     |



|    |   |    |        |     |         |        |        |         |        |        |        |       |        |        |
|----|---|----|--------|-----|---------|--------|--------|---------|--------|--------|--------|-------|--------|--------|
| 29 | CBC Group Water Scheme Society Ltd                  |    | 0      | 1   | 320     | 24     | -24    | -7.50%  | 685    | 1,101  | 1,101  | 0     | 0      | 0.00%  |
| 30 | Co Clare Agricultural Show Society Ltd              |    | 212    | 0   | 107     | 23     | 23     | 21.50%  | 233    | 207    | 207    | 0     | 0      | 0.00%  |
| 31 | Comharchumann Chleire Teoranta                      |    | 659    | 20  | 532     | 48     | -32    | -6.02%  | 1,135  | 1,185  | 615    | 190   | 380    | 30.89% |
| 32 | Corduff Corraharra Group Water Scheme Society Ltd   |    | 640    | 2   | 354     | 71     | 71     | 20.06%  | 540    | 1,145  | 1,142  | 0     | 3      | 0.00%  |
| 33 | Sraheen Group Water Scheme co-operative Society Ltd |    | 229    | 0   | 110     | 96     | 23     | 20.91%  | 361    | 112    | 112    | 0     | 0      | 0.00%  |
| 34 | Kilcoran New Burgess Group Water Scheme Co-op Ltd   |    | 108    | 0   | 24,444  | 27     | 8      | 0.03%   | 107    | 178    | 86     | 0     | 92     | 0.00%  |
| 35 | Irish Milk Quality Co-operative Society Ltd (IMQCS) |    | 14     | 0   | 32      | 6      | 6      | 18.75%  | 0      | 49     | 49     | 0     | 0      | 0.00%  |
| 36 | Co-op Animal Health Ltd                             | ** | 0      | 69  | 31,489  | -264   | -509   | -1.62%  | 2,118  | 6,120  | 5,150  | 123   | 847    | 2.39%  |
| 37 | Oldcastle Co-operative Creamery Ltd                 |    | 580    | 9   | 2,919   | 167    | 138    | 4.73%   | 879    | 1,432  | 1,269  | 163   | 0      | 12.84% |
| 38 | Progressive Genetics Co-operative Society Ltd       |    | 3,070  | 67  | 12,092  | 1528   | 1,393  | 11.52%  | 2,745  | 9,277  | 8,623  | 172   | 482    | 1.99%  |
| 39 | Ballymachugh Co-operative Society                   |    | 451    | 1   | 188     | 62     | 62     | 32.98%  | 1,656  | 1,837  | 1,291  | 0     | 546    | 0.00%  |
| 40 | Kilbarron GWS Society Ltd                           |    | 80     | 0   | 19,346  | -400   | -433   | -2.24%  | 153    | 222    | 97     | 0     | 125    | 0.00%  |
| 41 | Droimeann Cattle Society Ltd                        |    | 30     | 0   | 840     | -307   | -307   | -36.55% | 0      | 893    | 893    | 0     | 0      | 0.00%  |
| 42 | Claran Group Water Scheme Co-op Society             |    | 0      | 0   | 87,765  | 286    | 186    | 0.21%   | 947    | 1,277  | 1,156  | 121   | 0      | 0.00%  |
| 43 | Western Forestry                                    |    | 0      | 14  | 2,753   | 60     | 14     | 0.51%   | 78     | 130    | 75     | 22    | 33     | 29.33% |
| 44 | Limo Leader Co-operative Society Limited            |    | 14     | 0   | 21,426  | 16,156 | 16,156 | 75.40%  | 0      | -3     | -3     | 0     | 0      | 0.00%  |
| 45 | Kilkenny Community Communications Co-op Ltd         |    | 0      | 2   | 78      | 5      | -4     | -5.13%  | 283    | 321    | 321    | 0     | 0      | 0.00%  |
|    | Total   |    | 74,426 | 640 | 601,818 | 24,708 | 19,928 | 3.31%   | 47,490 | 78,465 | 76,844 | 7,777 | -6,156 | 10.12% |

\* 2014 information \*\* 2015 information \*\*\* Not all information received

## Other Societies Not Listed

|  |   |   |
|--|---|---|
| Comharchumann Shailarna Teoranta                       | Killaturley Water Co-op Society Ltd                       | Ballinabanaba Group Water Scheme Co-operative Society Ltd |
| Comharchumann Naomh Fhionain Teoranta                  | Kilnaleck & District Community Co-op Society Ltd          | Doapey CA & DS Ltd  |
| Cloonsaran Group Water Scheme Co-operative Society Ltd | Kylemore-Abbey GWS Co-op Society Ltd                      | Breed Societies Not Listed                                |
| Comhar Conradh Na Boirne Teoranta                      | Loughmore Community Co-operative Society Ltd              | Irish Texel Sheep Society Ltd                             |
| Glencar GWS Co-op Society Ltd                          | Milltown Community GWS Co-op Society Ltd                  | Irish Pedigree Cattle Breeders Society                    |
| Corohan Group Water Scheme Co-operative Society Ltd    | Mizen Tourism Co-operative Society Ltd                    | Irish Simmental Cattle Society Ltd                        |
| Derrycorrib/Dooehoma Group Water Scheme Co-op Ltd      | Mount Jubilee Group Water Scheme Co-operative Society Ltd | Sraheen Group Water Scheme Co-operative Society Ltd       |
| Kilally Ballinrush Group Water Scheme Society Ltd      | Roughly Valley Co-operative Society Ltd                   | Dublin Food Co-operative Society Ltd                      |
| Kilkenny communit Com Co-op                            | Sheepgrange Group Water Scheme Co-operative Society Ltd   | Belgian Blue Cattle Breeders Society of Ireland Ltd       |
| Kilgalligan GWS Co-op Society Ltd                      | Tipperary Community Radio Co-operative Society Ltd        |   |

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

| Fishing Co-operative Societies 2016 |  |         |                                   |                |        |                                      |  |                             |   |                                    |   |       |                           |
|-------------------------------------|--|---------|-----------------------------------|----------------|--------|--------------------------------------|--|-----------------------------|---|------------------------------------|---|-------|---------------------------|
|                                     |  |         |                                   |                |        |                                      |  |                             |   |                                    | Balance sheet €'000                           |       |                           |
|                                     |  |         |                                   |                |        |                                      |  |                             |   |                                    | Financed by                                   |       |                           |
| Society                             |  | Members | Employees<br>(inc part /<br>time) | Total<br>sales | EBITDA | Net profit /<br>(loss) before<br>tax | Net profit<br>/ (loss) as<br>a % sales | Tangible<br>fixed<br>assets | Total assets<br>less current<br>liabilities | Shareholders<br>/ Members<br>Funds | Bank overdraft<br>/ loans &<br>finance leases | Other | Debt /<br>equity<br>ratio |
| 1                                   | Clogherhead Fishermen's Co-op Ltd          | *       | 0                                 | 8              | 13,979 | 250                                  | 1.79%                                  | 27                          | 606   | 606                                | 0   | 0     | 0.00%                     |
| 2                                   | Castletownbere Fishermans Co-operative Ltd |         | 74                                | 88             | 62,486 | 1,234                                | 1.97%                                  | 6,512                       | 11,706                                      | 10,001                             | 887   | 818   | 8.87%                     |
|                                     | Total                                      |         | 74                                | 96             | 76,465 | 1,484                                | 1.94%                                  | 6,539                       | 12,312                                      | 10,607                             | 887   | 818   | 8.36%                     |

\* 2014 information \*\* 2015 information \*\*\* Not all information received

### Societies Not Listed

Foyle Fishermen's Co-operative Ltd  
 Donegal Co-operative Fisheries Ltd  
 Limerick Fishermen's Co-operative Society Ltd  
 Burtonport Fishermen's Co-operative Society Ltd

| Summary Co-operative Statistics 2016     |            |            |         |         |         |
|--|------------|------------|---------|---------|---------|
|  | Total      | Dairies    | Marts   | Fishing | Others  |
| Number of Societies Statistics Presented | 96         | 23         | 26      | 2       | 45      |
| Members                                  | 182,082    | 68,766     | 38,816  | 74      | 74,426  |
| Employees                                | 14,717     | 13,164     | 817     | 96      | 640     |
| Trading Performance (€'000)              |            |            |         |         |         |
| Total Sales                              | 15,446,245 | 14,587,320 | 180,642 | 76,465  | 601,818 |
| Net profit / (loss) before tax           | 996,841    | 969,546    | 5,883   | 1,484   | 19,928  |
| Net Profit / (Loss) as a % of Sales      | 6.45%      | 6.65%      | 3.26%   | 1.94%   | 3.31%   |
| Balance Sheet (€'000)                    |            |            |         |         |         |
| Tangible fixed assets                    | 2,419,731  | 2,276,506  | 89,196  | 6,539   | 47,490  |
| Total assets less current liabilities    | 10,641,478 | 10,377,833 | 172,868 | 12,312  | 78,465  |
| Shareholders / Members Funds             | 6,304,677  | 6,095,437  | 121,789 | 10,607  | 76,844  |
| Bank overdraft / loans & finance leases  | 2,795,502  | 2,743,060  | 43,778  | 887     | 7,777   |
| Other                                    | 1,536,426  | 1,539,336  | 2,428   | 818     | -6,156  |
| Debt / equity ratio                      | 44.34%     | 45.00%     | 35.95%  | 8.36%   | 10.12%  |



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