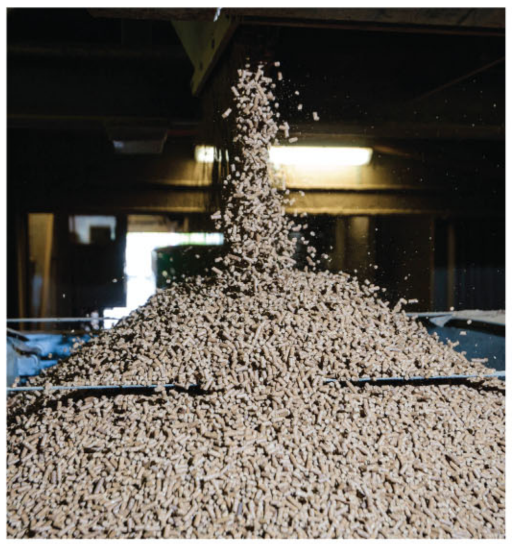
Aurivo

Co-operative Society Ltd.

Annual Report & Accounts 2014

Contents


LONG VEHICLE




Connacht Gold
Connacht Gold
Connacht Gold
Creamery Butter

Garden
GARDENING

Operating and Strategic Highlights

A further year of growth with the delivery of a stellar financial and operational performance

GROUP OPERATING PROFIT

€6.3m

an increase of 20% on 2013

STRONG & SUSTAINED SALES AT

€447m

SHAREHOLDERS' FUNDS

€38.2m

NET DEBT SIGNIFICANTLY REDUCED from €12.9m to

€1.4m

Aurivo continued its growth and performance trajectory in 2014

Stores rebranded to Homeland

1.5m STORE VISITORS

19 New products launched

Biomass facility installed on time and on budget

↓70% HEAVY FUEL OIL USAGE

26 Awards

Farm profitability programme

15 EVENTS

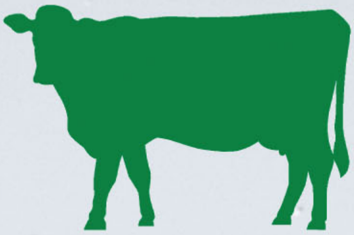
AURIVO IS A LEADING CO-OPERATIVE THAT IS POSITIONED FOR SUSTAINED GROWTH, CREATING VALUE FOR ALL OUR SHAREHOLDERS.

As the second largest liquid milk producer in Ireland, and with the will to win in all our markets, growth is in our DNA, whether organic or through acquisition, to deliver for our member owners.

98%

SUPPLIER CONFIDENCE

Supplier confidence in Aurivo with 98% signing milk supply agreements



STRONG MILK PRICE PAID TO DAIRY FARMERS

RECORD MILK VOLUMES

Highlights 2014

EXPORTS to almost **50 COUNTRIES**

Global exports markets, including:

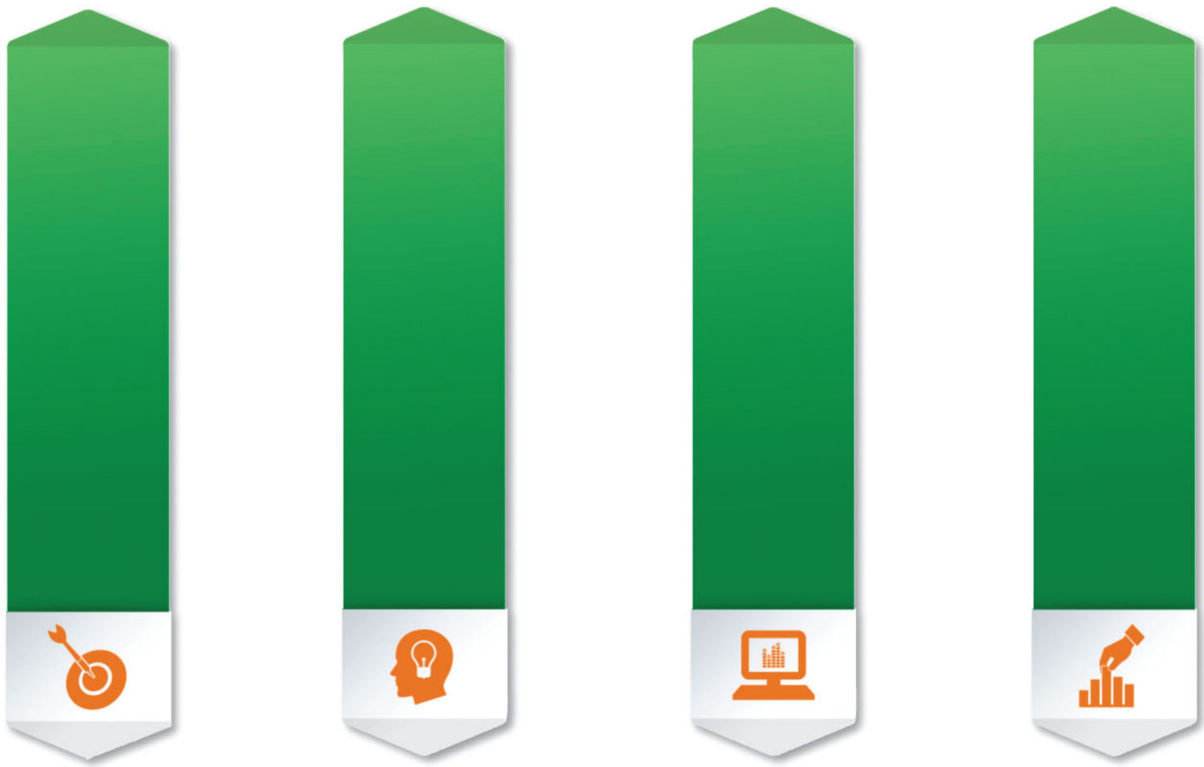
Nigeria | Burkina Faso
Saudi Arabia | DRC | Iraq
Guinea | Senegal
El Salvador | Liberia

We market quality dairy solutions in 50 countries, securing the highest value for our owners' milk, while in parallel, provide an excellent service to our non-dairy owner members and expanding customer base through our Agri and Marts businesses.

Co-operative Strategy

Our long-term strategy is to build a sustainable business for all stakeholders with a solid profitable performance in all areas. The business objective for organic growth and strategic acquisitions is underpinned by our four business pillars:

Customer Focus | **Innovation** | **Operational Excellence** | **People & Performance**



...Thus, enhancing future earnings growth and value for our owners.

Our Brands

2015 Outlook

Prospects for 2015 and beyond are positive

"AN EXCEPTIONALLY STRONG POSITION EXISTS TO GROW THE CO-OPERATIVE IN A POST QUOTA WORLD. A CONTINUED FOCUS ON NATIONAL AND INTERNATIONAL REVENUE OPPORTUNITIES WILL ENABLE OUR CORE MILK BUSINESS TO GROW IN VOLUME AND VALUE..."

From an operational, financial and growth perspective, I am delighted to report that 2014 was yet another strong year of delivery against stated objectives for your Co-operative. This is even more gratifying when one considers the external competitive market and the challenges therein. This was a year of continued progress where Aurivo successfully built on its strong supplier base and excellent customer relationships.

BUSINESS REVIEW IN THE PERIOD

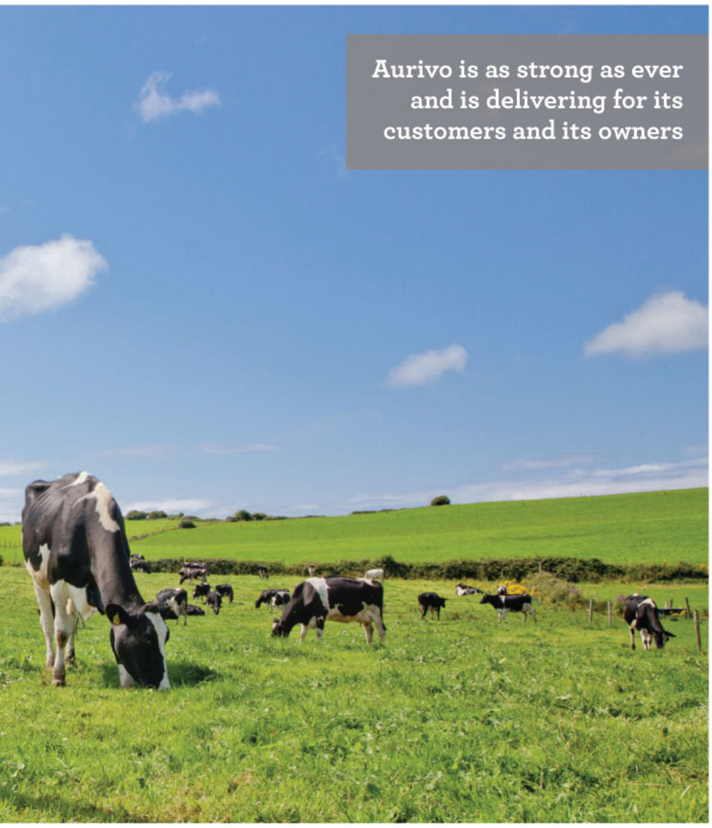
Aurivo delivered a strong group operating profit of €6.3m before non-recurring items, a 20% increase on 2013's excellent performance. This was delivered with steady revenues across the business of a very creditable €447m. The financial performance reflects Aurivo's sales success and customer focus nationally and internationally in 50 markets. The Co-operative has in its possession all the resources for sustainable growth, those being our people, our financial position, our suppliers and our valued customer base.

Tom Cunniffe
Chairman

Our Consumer Foods business continues to perform well with sales of €75m. Our butter brand continued to outpace the category with positive sales growth, combined with strong investment in brand marketing. A healthy innovation pipeline resulted in the launch of Enriched Milk and two new gourmet butter products, including Sea Salt and Cracked Pepper. The liquid milk market continued to be challenging during the year. Our own volumes grew marginally and our brands held their own and more against other brands in the marketplace.

Building on the excellent outturn in 2013, our Dairy Ingredients business got off to a great start in early 2014. Markets have since become more difficult and we are working hard to return as competitive a price as possible to our suppliers. On the basis that we have a customer base that is demanding more milk we are confident of future growth. Nationally and internationally, the year saw significant business wins.

WE ARE INCREASINGLY MORE CUSTOMER-CENTRIC AND FOCUSED AND THIS IS EVIDENCED BY STRENGTHENING CUSTOMER RELATIONSHIPS.



Operationally, it was a year of further progress for the business unit where 2014 was another record year in relation to volumes processed. Our Biomass Plant was commissioned and officially opened by An Taoiseach Enda Kenny TD. The state-of-the-art system will deliver significant efficiencies to the business in terms of energy costs. Our approach to energy management led to the Co-operative being awarded the prestigious leadership award by the Sustainable Energy Authority of Ireland – an award which was granted against stiff competition from other businesses.

Our Agri Business performed in line with our expectations. With a turnover of €103m, sales of feed were back in line with national trends. The financial year saw the successful completion and roll out of the Homeland, Homeland Agri and Homeland Plus brands across our retail network, which also recorded over 1.5 million store visitors.

Marts are operating in a very challenging business environment. Our own business is holding up well in terms of national and regional trends. Aurivo continued its investment programme to improve facilities, while extra and specials sales attracted large numbers.

The business overall is as strong as ever and is delivering for its customers and owners. In what has been a hugely volatile market, we have delivered what we consider to be a competitive milk price. We have introduced a milk stability fund to assist suppliers against volatility. The business is being run, managed and led exceptionally well with a strategic emphasis on efficient growth. This has been recognised through over 26 national awards in 2014. Our brands are outperforming in their categories. We continue to win key domestic and international business and now have sales in 50 countries across the globe. We are increasingly more customer-centric and focused and this is evidenced by strengthening customer relationships. Our financial position is as strong as ever, with record profits and exceptionally low levels of debt. It is from this position of strength that we will continue to deliver for our customers and owners, in the short, medium and longer term.

BOARD & TEAM

The year under review has been my first as Chairman of Aurivo. I want to pay tribute to Director and former Chairman Padraig Gibbons who served in the role for 12 years. In that time, Padraig's guidance oversaw Aurivo becoming the leading, globally-focused agri-business that it is today. I would also like to take this opportunity to thank Pat Duffy, former vice chairman for his contribution and commitment during his eight years in that role.

I also extend my thanks and gratitude to the current vice chairman, Michael Brennan and members of the Board for their continued support, commitment, wise counsel and guidance.

A special word of thanks to Aaron Forde and his management team who have led and overseen the delivery of what was a stellar financial and operational out-turn for 2014. That gratitude has also to be extended to all our employees whose dedication, loyalty and hard work is recognised as being fundamental to the continued success of Aurivo.

OUTLOOK

2015 promises to be an exciting year for Aurivo, where there is a confidence that the business will grow its positions in all markets. With our robust business model and strategy for growth, we are well positioned for the post-quota era and the long-term outlook for the Co-operative is a positive one.

Tom Cunniffe

Tom Cunniffe
Chairman

Chief Executive's Review

With a customer-base demanding more milk for growing markets, Aurivo continues its journey of growth with its customers and for its owners

With its strong vision and ambition for the future, Aurivo enters the post quota world in good stead – financially, operationally, through its exceptional supplier base and excellent customer relationships.

EXCELLENT CUSTOMER RELATIONSHIPS

I am very happy to report that 2014 was a year of continued success and growth for Aurivo and its owners. This planned approach, where Aurivo exceeded all performance measures and criteria, delivered a strong milk price performance, a stellar financial result and an exceptional operational performance.

Our suppliers voiced their confidence in their Co-op with 98% signing a milk supply agreement, which will enable the business maximise the market return for their milk. Cognisant of milk price volatility, a €2 million milk stability fund has been created over the past two years, to support our committed suppliers.

Milk markets began to slide in early 2014 and this was reflected in all the available data throughout the year. Aurivo's excellent operational performance helped delay the impact of turbulence in milk markets and our strong customer relationships helped unlock new opportunities in 2014.

As we move towards a new era of post-quota growth, we have an efficient and stronger than ever operational platform, excellent customer relationships, so important to the success of this Co-operative, and the people and innovation pipeline to deliver for and exceed the expectations of our member owners.

Aurivo continues to grow and enhance value to our customers and owners by focusing on the four pillars of: **Customer Focus, Innovation, Operational Excellence and People & Performance.**

I illustrate our progress in 2014 under those strategic growth pillars:

CUSTOMER FOCUS

We continued in 2014 to build on our Customer Focus program of customer-centricity with increased momentum and through strengthening of collaborative partnerships. Our investment in Customer Service Training reached out across our whole business and we are now 12 months through a 24-month program. To date, over 450 employees have been involved in these workshops.

The external rebranding of our retail stores to Homeland was completed, creating a uniform identity for this business with clear segmentation in Homeland Agri., Homeland and Homeland Plus. Investment will continue into 2015 with the roll out of all internal store rebranding. Additionally, category management principles have been embraced to make shopping at our stores easier with products and ranges specific to the store segment. Once again our stores performed exceptionally well in our independent Mystery Shopper assessments. As a recognition of their excellent approach to customer relations, a Customer Service Excellence Award (CSEI) was presented to our stores and reception teams. Our garden centres were also recognised for excellence with a Bord Bia National Amenity Horticulture Quality Award at the highest four-star level.

WE CONTINUED IN 2014 TO BUILD ON OUR CUSTOMER FOCUS PROGRAM OF CUSTOMER-CENTRICITY WITH INCREASED MOMENTUM AND THROUGH STRENGTHENING OF COLLABORATIVE PARTNERSHIPS.

INNOVATION

Our business commitment in the development of a strong successful innovation ecosystem continues to grow on the foundation of previous year's successes and learnings. Investment commitments in the national Dairy Processing and Technology Centre (DPTC) and Moorepark Technology Limited (MTL) underpin our firm ambition to exponentially expand our knowledge capacity and product development skillset in support of our dairy businesses.

Our global consumer base with diverse tastes and product functionality expectations, challenges our business to develop innovative product and ingredient solutions to deliver on our customer partnership programs. Our support of, and collaboration with the DPTC and MTL will strengthen and assist our business in delivering for our customers to both our mutual benefit.

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Aaron Forde
Chief Executive

Our Dairy Ingredients business welcomed over 500 visitors throughout the year. Both milk suppliers and international customers visited the site as part of open days and formal meetings. Strengthening of relationships across our international business was supported with in-market visits in Africa, Europe and the Middle East. It was gratifying to see our retail products gaining international recognition for quality and presentation receiving four Great Taste Awards (UK) and two national Blas na hÉireann awards.

Ballymote and Mohill Marts were both upgraded in 2014 with additional facilities and an improved sales ring at Ballymote. To cater for our ever-changing full-time and part-time farmer needs, extra sales and specials sales were continued through 2014. These additional sales events attracted large numbers of buyers and sellers with particular success in our weanling market.

INNOVATION

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A range of 19 new products was launched in 2014 across our businesses in Consumer Foods, Dairy Ingredients and Animal Feeds. For our dairy businesses, investments in in-market ethnographic research, consumer product use and usage occasions, channelled our product development process in targeting value adding product innovation and renovation. Products introduced included retail butters, cream and enriched milk as well as functional enhancements of a number of our enriched milk products and flavour profile delivery. A new range of mineral licks and mineral powders under our animal feeds Nutrias brand were launched with scientific research in the west of Ireland that designed formulations to meet local requirements.

Process innovation included re-organisation of our transport out, water harvesting and recycling and the introduction of a new IT system, Core Enterprise Systems. A number of innovation initiatives were also launched through our Farm Profitability Program.

Our innovation and renovation pipeline is strong for 2015 with category, product and functionality challenges to be worked through, finding exciting new solutions, broadening product category appeal and building on our brands in all business parts.

OPERATIONAL EXCELLENCE

2014 was a record year for milk processing in Aurivo Dairy Ingredients. Weekly production volumes of over 1,450 tonnes per week were achieved throughout the peak milk supply months.

The ongoing benefits of the Lean Programme delivered significant results for the business in terms of capacity improvements and energy efficiency improvements. The installation of a 12 MW biomass boiler system during 2014 in Dairy Ingredients is the first phase in the energy strategy transformation for the site. This is the first large scale biomass boiler installation in the dairy sector in Ireland which will displace 70% of the fuel oil used on site as well as reduce the carbon emissions by 65%. In November 2014, the Dairy Ingredients site in Ballaghaderreen won the prestigious SEAI Leadership in Energy Award for manufacturing businesses in Ireland. This National Award recognises the significant improvements in energy savings and efficiencies achieved on the site over the previous number of years.

In June 2014, Aurivo Consumer Foods consolidated its liquid milk processing activity on the Killygordon site in Donegal. The transfer of the production and packaging process worked seamlessly with no interruptions to supply of products to our customers. This consolidation delivered benefits in terms of plant efficiency, energy consumption, production and transport cost. Lean projects are ongoing on site to improve further its performance.

Aurivo Milk supplier of the Year
Cathal Lowry, Loughrea, Co Galway

In November 2014, the Dairy Ingredients site in Ballaghaderreen won the prestigious SEAI Leadership in Energy Award for manufacturing businesses in Ireland.

The Animal Feeds Mill has developed its Lean plan with projects on energy management, production efficiencies and quality. Significant savings on water, oil and power consumption were achieved in 2014. The installation of two new presses in 2014 supported the need for greater efficiencies while constantly improving the quality of our products.

The implementation of the new IT system, Core Enterprise Resource, in our stores was completed in 2014. The new system will greatly improve reporting capability and will give accurate and timely information on stocks and all aspects of store performance. A category management programme saw a reduction of 50% of the SKUs in our stores, increasing our buying power with suppliers and reducing complexity in managing our stock. Our store modernisation programme is ongoing, with significant investment in Killala and Castlebar in 2014, to offer our customers a modern shopping environment in which to trade with us.

Our transport operations have been optimised further in 2014 with new tenders for the Mill and Consumer Foods. Significant savings have been achieved again, while reinforcing our focus on service level to our customers.

Aurivo is now a fully verified member of the Bord Bia Origin Green Programme. Our Manufacturing sites have set ambitious targets in terms of sourcing, manufacturing (Emissions, Energy, Waste) and social sustainability.

PEOPLE & PERFORMANCE

We are absolutely committed to developing our people to their full potential to allow them to make the maximum contribution in their job. All Aurivo employees undergo an annual performance review which aligns their goals and objectives with the overall corporate strategic goals and, where appropriate, defines a career path for the employee. We run a Leadership Development Programme which fast tracks a number of high potential employees/graduates through our four main business units over a 24-month period. We have currently five graduates on the programme

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A RANGE OF 19 NEW PRODUCTS WAS LAUNCHED IN 2014 ACROSS OUR BUSINESSES IN CONSUMER FOODS, DAIRY INGREDIENTS AND ANIMAL FEEDS.

PEOPLE AND PERFORMANCE

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and intend to add at least another two graduates to the programme in 2015. On the completion of the programme the graduates will then be well equipped to fill future roles that arise from our growth agenda and prospects. As part of our succession strategy, we also run a Stores Trainee Manager Programme to train and develop future Store Managers.

We have a strong focus on Risk Management and Health and Safety in the organisation. We endeavour to make our facilities as safe and risk free as possible for our employees and customers and are making good progress in this regard. At our regional meetings, FBD gave a comprehensive presentation on farm safety and this will be followed up by making a safety pack available to our suppliers and members. 2014 saw a significant number of farm fatalities and it is imperative that we all focus on taking whatever steps are necessary to reduce or eliminate these unnecessary deaths. Aurivo is committed to playing its part.

Our Charity of the Year for 2014 was the four local hospices – Donegal Hospice, North West Hospice, Mayo Roscommon Hospice and Galway Hospice. As a result of the fundraising endeavours of our employees, a total of €26,750 was raised for this very deserving cause from direct fundraising activities. This was further supplemented by Aurivo. A cheque for €10,000 was recently presented to each hospice. Our Charity of the Year for 2015 is Pieta House, which is another very worthy cause.

OPERATIONS IN 2014

Dairy Ingredients

From an economic perspective, 2014 started strongly for the business with good demand for dairy continuing from 2013. As the year progressed, global supplies rapidly outgrew demand and consumption in dairy slowed with slower economic growth and high inventories. The ban on dairy products imposed by the Russian Government has created significant openings in the global market. These market conditions have created strong headwinds for dairy pricing, which due to our operational and customer performance, we did not need to reflect fully in milk pricing.

As markets become more difficult, we will continue to work hard to add more value to our owners' milk so we can return a competitive milk price. Our customer positions are built with this in mind. We have a customer base demanding more milk for growing markets and so we continue our journey of growth with our customers, and for our owners.

Operationally, the business performed very well with record volumes processed and record low unit processing costs, thanks to our operational excellence programme. During the year, our Biomass energy system was installed

and commissioned on time and on budget, delivering a 50% reduction in carbon emissions and a 70% reduction in heavy fuel oil usage. Investment in drying technology to manufacture new value-added EMPs for customers was also completed. I want to thank An Taoiseach Enda Kenny for officially opening the plant.

During the year, our milk supply agreements were put in place and 98% of our supply base have committed to Aurivo, which is an important enabler in delivering the best return possible from the marketplace.

Investment in innovation was taken to a new level with our participation in the DPTC, an industry technology research centre with nine research organisations led by the University of Limerick. We are also supporting the investment in the Teagasc industry partnership of MTL to grow our innovation agenda in line with our growth ambitions.

Consumer Foods

Our success in building our share and brand strength with Connacht Gold continued in 2014. Positioned as a healthy premium product in the category, our Low Fat butter continues to far outpace the category in terms of growth. The brand as a whole continued to grow in value and resonance with consumers. Two new products were successfully launched and there are more innovations in the pipeline.

In milk, the market continued to deliver an inadequate return to the processor and farmer. We have seen the continuance of unsustainable competitive behaviour in the marketplace, which continues to undermine the sustainability of the supply chain.

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OPERATIONS IN 2014

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Liquid milk volumes grew slightly in 2014 and fortunately our brands performed better than most in the market place.

Operationally, all liquid milk production was centralised at our Killygordon site in mid 2014. Whilst this was a difficult decision for our colleagues in Sligo, it was delivered on time and with excellent customer service; a tribute to all involved. The consolidation has delivered significant benefits and lowered unit costs, increasing our competitiveness.

Our Organic For Us brand continued to grow in 2014 with national listings and distribution. The Connacht Gold brand of enriched milk was re-launched in 2014 and sales have grown very strongly in late 2014 and early 2015, reinforcing the brands credentials in the health area. The Consumer Business began distributing the protein shake brand 'For Goodness Shakes' in 2014 and has gained listings in all major retailers. This brand is very aligned to our growth agenda in the health and nutritional area.

Agribusiness

Following a very strong weather-driven sales year in 2013, 2014 was a return to a more normal marketplace for our Agribusinesses. Sales of feed were back in line with national trends and numbers of transactions were back slightly.

Operationally, it was an extremely busy year with all our stores rebranding to Homeland, Homeland Agri or Homeland Plus. In addition, a new IT system was implemented throughout the business which will deliver efficiencies and process improvements. Operational Excellence programmes have improved Mill performance and there are Lean projects running throughout the store network.

Marts

Mart numbers experienced a decline nationally and a somewhat larger decline regionally. Despite this, our own marts performed well and held share of regional trade. With a greatly changing environment, marts countrywide will be challenged to adapt and grow as the dairy herd expands, margin pressure continues in the beef trade, and quality demands mean restrictions on animal age, weights and movements will be greater. One of the frustrations of the business is lack of adequate enforcement of regulations across the trade. Aurivo is delighted to be in compliance with the trade regulations but would ask that all operators are treated equally in the interests of fairness and protection of sellers' funds.

Investments & Joint Ventures

All investments and joint ventures performed well and in line with expectations for the period under review.

ECC Timber Products had a good year with export markets performing strongly. A welcome review of selling arrangements by Coillte, the monopoly supplier, is underway, which hopefully will bring commercial benefits to the sawmilling customer base.

Glanoir Energy, our joint venture biomass energy project, completed on time and within budget and is proving successful.

Mid West Radio had another good year of operational and financial performance.

Progressive Genetics also had a good year.

> "WITH A LEAN OPERATIONAL FOOTPRINT, AN ESPECIALLY STRONG CUSTOMER BASE, AN EXCELLENT TEAM OF PEOPLE AND A FULL INNOVATION PIPELINE, WE ARE WELL POSITIONED TO GROW AND DELIVER FOR OUR MEMBER-OWNERS."

OUTLOOK FOR AURIVO

Aurivo enters the post-quota world in exceptionally good stead and is ready and poised for significant growth in the years ahead. With a lean operational footprint, an especially strong customer base, an excellent team of people and a full innovation pipeline, we are well positioned to grow and deliver for our member-owners.

We have built on a strong market position in affordable nutrition and nutritional ingredients since year-end and acquired the My Goodness Limited business, taking us into the wider nutritional business. My Goodness Limited, with its For Goodness Shakes brand, has established itself as the leading ready-to-drink product in the sports nutrition sector. The brand is extending into the young athlete sector and there is a very strong innovation pipeline.

Our core milk business will grow in volume and value over the coming years as our customer partners grow in the 50 markets we have established around the globe. We can say with some confidence to our milk supplier base that we will market all the additional milk they deliver and we have a pool of new entrants which will grow the strength of the Co-operative with more milk supply.

Our agribusiness will adapt to the changing needs of customers and the changing nature of farming.
We have a brand in Homeland capable of growth and our animal feeds brand Nutrias has established its credentials as a strong science-based leader in the field of animal nutrition.

The Marts business is well invested and set up to continue its leading position in the region as a credible regulated marketplace for our farmers.

Tom Cunniffe has been elected chairman of our board and I look forward to continuing to work with Tom to grow the Co-operative. I thank Padraig Gibbons and Pat Duffy for their contributions as chairman and vice-chairman and welcome Michael Brennan to the vice-chairman role.

To our customers – regionally, nationally and internationally in 50 markets – a sincere thank you for your patronage and we look forward to growing with you. To our members, we look forward to growing the Co-operative on your behalf to stay relevant to customers and deliver for you. For our people, I thank you for your dedication and commitment and for the delivery of very strong results. The help of Government is much appreciated, as is the support and guidance of our Board and regional advisory committees.

We look forward with confidence for Aurivo in the year and years ahead.

Aaron Forde
Chief Executive

Board of Directors

The 16 Members of the Board of Directors as at 31 December 2014 are listed below with the Advisory Committees they represent shown in brackets.

Tom Cunniffe
(Castlebar)

Michael Brennan
(Suck Valley)

Raymond Barlow
(BKR)

***Frank Butler**
(KMC)

Patrick Duffy
(Midlands)

Jim Egan
(Claremorris)

***Martin Gallagher**
(Rathscanlon)

Cathal Garvey
(South Mayo/ North Galway)

Padraig Gibbons
(West Mayo)

***Patrick Henry**
(Achonry)

Robert Hosey
(Employees)

Albert Lawson
(Ballymote/Gurteen/ Kilmactranny)

***Billy McMahon**
(Donegal)

Tommy Shryane
(Mid West)

Sean Sweeney
(Killala/Moy Valley)

TJ Tuffy
(Tireragh)

The Members whose names are preceded by an asterisk (*) retire in accordance with Rule 48(D) and are subject to re-election subject to Rules 47(B), 48(E), 48(G) and 49.

Other Information

Registered office, bankers, solicitors, auditors and executive team

Registered Office: Finisklin Business Park,
Sligo,
Co Sligo

Bankers: Bank of Ireland
AIB Bank
Ulster Bank

Solicitors: Rochford Gallagher & Co,
Tubbercurry,
Co Sligo

Mc Cann Fitzgerald,
Riverside One,
Sir John Rogerson's Quay,
Dublin 2

Auditor: KPMG,
1 Stokes Place,
St Stephen's Green,
Dublin 2

Executive Team:
Aaron Forde, *Chief Executive*
John Daly, *General Manager Agri Business*
Jim Kelly, *Secretary/Head of Human Resources*
Eoghan Sweeney, *General Manager Dairy*
Donal Tierney, *Chief Financial Officer*
Martin Walsh, *General Manager Marts/ Head of Public Relations*

Board Committees

The Board has an established committee structure in order to assist it in the discharge of its responsibilities on a number of specific matters as it is committed to maintaining high standards of corporate governance. The committees are detailed below.

AUDIT COMMITTEE

The Audit Committee comprises TJ Tuffy (Chairman), Tom Cunniffe, Michael Brennan, Martin Gallagher, Cathal Garvey and Billy McMahon. The Chief Executive, the Chief Financial Officer, Senior Management and representatives of the external auditors may be invited to attend all or part of any meeting.

The role and responsibilities of the Audit Committee include:

✔ Reviewing the annual financial statements before submission to the Board, with a recommendation whether or not to approve. This review focuses on but is not limited to, monitoring the integrity of the financial statements of the Society and reviewing significant financial reporting judgements contained therein.

✔ Considering and making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors, and the terms of engagement of the external auditors.

✔ Reviewing the external audit plan and the findings from the audit of the financial statements.

✔ Assessing annually the independence of the external auditors, which includes monitoring the nature and extent of services provided by the external auditors to the Society.

✔ Monitoring and reviewing the operation and effectiveness of the internal audit function and progress on resolving any weaknesses identified in accounting systems or controls.

✔ Reporting to the Board on the operation of the Society's system of internal control and risk management, making any recommendations to the Board thereon.

✔ Reviewing the arrangements in place to ensure that appropriate investigation and follow up action is taken on any concerns raised about possible improprieties in financial reporting or other matters.

✔ Reviewing its own effectiveness as a committee and making any necessary recommendations for change to the Board.

OTHER COMMITTEES

The Society operates a number of other sub-committees in order to assist the review and operations of divisional activities and particular functions.

These include:

- Agri Business
- Dairy
- Marts
- Remuneration
- Rules/Membership

All Board Members sit on two sub-committees of the Board. The Chairman and Vice-Chairman of the Society sit on all the sub-committees of the Board. The Secretary of the Society acts as Secretary to each of these committees.

Corporate Social Responsibility

INTRODUCTION

Corporate Social Responsibility (CSR) highlights the role business plays in contributing to a better society by actively engaging and consulting with all stakeholders in a manner that goes beyond its financial and legal commitments.

Aurivo recognises this obligation and that it is an integral part of the communities in which it operates. As a result of its diversified operations the company generates economic and social vibrancy in both urban and rural areas and is committed to being a responsible corporate citizen in these communities.

The company is sensitive to any impact its operations may have on its stakeholders and is committed to ensuring that the needs, views and interests of all stakeholders are taken into consideration where appropriate.

This objective will be achieved by strict adherence to the following principles:

MISSION STATEMENT

“TO ENHANCE THE LIVES OF OUR MEMBERS, CUSTOMERS, COLLEAGUES AND THE COMMUNITIES IN WHICH WE OPERATE IN A SUSTAINABLE WAY.”

VALUES

Our core values represent the fundamental beliefs that direct us in our daily business activities. Aurivo embraces these values and conducts its day-to-day business in accordance with their spirit and intent.

1) Trust

We are committed to the highest standards of business and ethical behaviour and to fulfilling our obligations to the communities we operate in.

2) Value

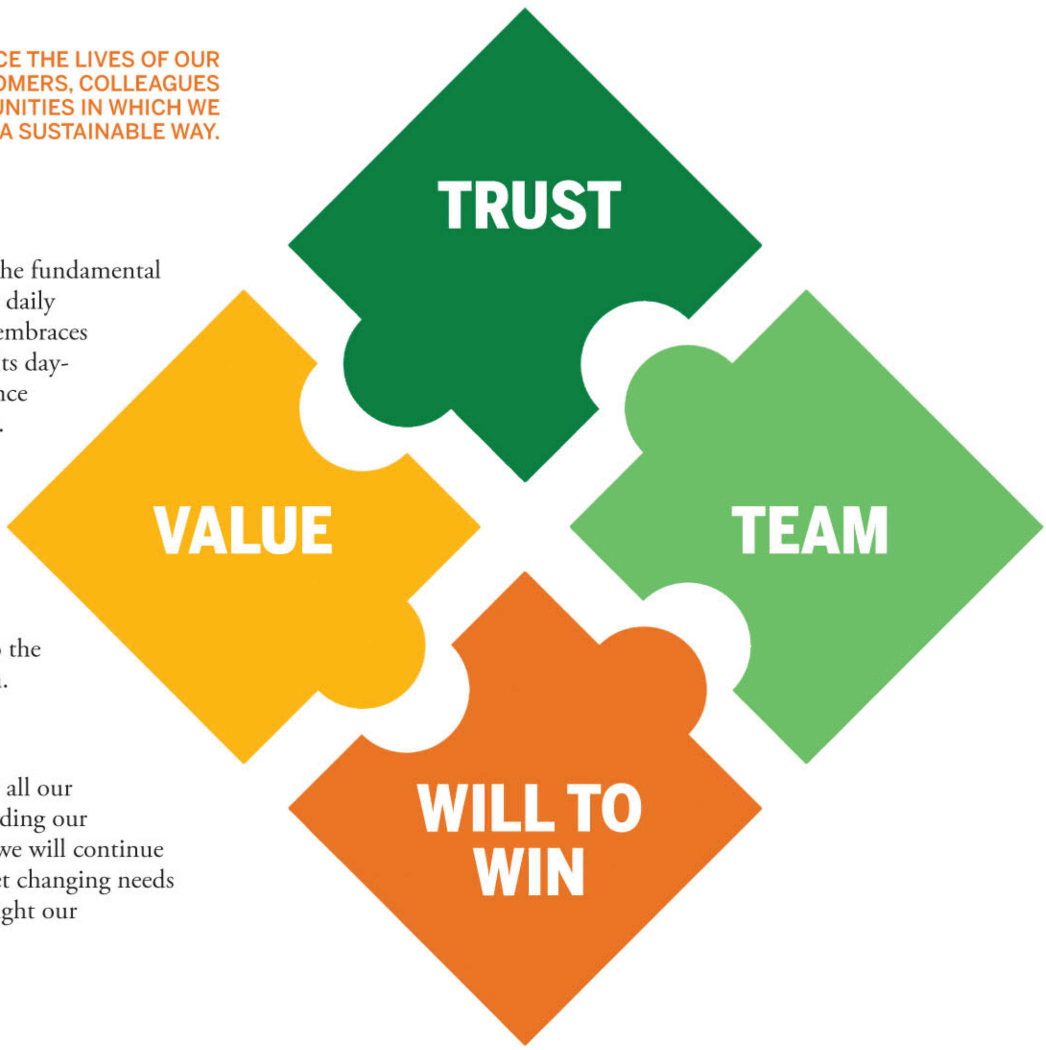
We exist to create value for all our stakeholders. By understanding our consumers and customers we will continue to provide products to meet changing needs and deliver a service to delight our customers.

3) Team

We will work as one team for the common purpose we share. We will develop our talent, building pride in the team and maintain an environment of open and honest communications across the business.

4) Will To Win

We will exhibit a strong will to win in the market place and in every aspect of our business.



ENVIRONMENT

Compliance with environmental and health and safety regulatory requirements is considered a minimum standard for all Society businesses. All Aurivo businesses strive to implement best practice in their operations and operate comprehensive environmental, health and safety and quality management systems.

Across the Society, we also operate programmes to ensure the responsible disposal of packaging, including the re-use and recycling of all packaging types and the use of licensed contractors to safely dispose of non-recyclable waste packaging.

COMMUNITY

Aurivo operates in numerous communities throughout the West and North West in a diverse range of business activities. The company employs 696 people directly and provides jobs for many others in transport, distribution and forestry. The need to support and play an active role in the development and social fabric of the areas in which the Society operates and at a national level is a clearly defined organisational objective.

The Society has traditionally supported a large number of charitable and general social activities in the areas in which it operates.

To this end the Society will nominate a Charity of the Year each calendar year and make a substantial contribution to it. The nominated Charity for 2014 was the four local hospices, Donegal, Northwest, Mayo Roscommon and Galway. The nominated charity for 2015 is Pieta House.

Other local charities and causes will receive consideration for funding on a case by case basis. Each application will be assessed on its own merits and decided on accordingly. This local dimension will be administered through the managers of our local outlets and will be in the form of vouchers for use in the stores.

Staff involvement in charitable fundraising projects is also encouraged. Aurivo gives consideration to supporting staff who partake in such projects. During 2014 our employees raised €26,750 from a variety of fundraising events for our Charity of the Year.

Aurivo also actively encourages its employees to get involved in community activities and representative organisations and to use their expertise to assist those organisations in providing much needed community support and benefit.

WORKPLACE

Aurivo's employees are the lifeblood of the organisation and are fundamental to the success of the business. The Society provides challenging and meaningful employment together with opportunity for development and encourages employees to embrace the concept of lifelong learning. Employees who wish to pursue a course of training/ education relevant to the business, in their own time, in order to further their career prospects are given maximum support at all times where appropriate. This involves payment/partial payment of fees, paid time off prior to and for examinations and other assistance as appropriate.

Aurivo encourages all employees to learn and develop new skills and to take an active role in planning their career progression in the Society by taking on new roles and increased responsibilities as the opportunities arise.

While Aurivo's policy is to promote from within the organisation where possible, the underlying objectives is to always select the best possible candidate for any vacant position and consequently promotional vacancies may also be advertised externally. In this context casual applications are also welcome and the company is committed to ensuring that every applicant receives full and equitable consideration for vacant positions that suit their skills and experience.

The commitment and dedication of its employees gives the Society a competitive edge and it is through the efforts of its workforce that Aurivo has become one of the employers of choice in the region.

Directors' Responsibility Statement

The Industrial and Provident Societies Acts, 1893 to 2014, require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for ensuring that the Society keeps proper books of account which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements are prepared in accordance with applicable accounting standards and comply with the Industrial and Provident Societies Acts, 1893 to 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are 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.

Tom Cunniffe
Chairman

Aaron Forde
Chief Executive

Independent Auditor's Report to the Members of Aurivo Co-operative Society Limited

We have audited the Aurivo Co-operative Society Limited ('the Society') group consolidated financial statements ("the financial statements") for the year ended 31 December 2014 which comprise the consolidated profit and loss account, consolidated statement of total recognised gains and losses, consolidated reconciliation of movement in shareholders funds, consolidated balance sheet, consolidated cash flow statement and the related notes.

The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This 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, as a body, 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.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibility Statement set out on page 24, the directors are responsible for preparing the Society's financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2014 and of its profit for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland.

MATTER ON WHICH WE ARE REQUIRED TO REPORT BY THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT

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

Roger Gillespie
For and on behalf of KPMG

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

16 March 2015

Consolidated Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 €(000) Pre Non-recurring	2014 €(000) Non-recurring	2014 €(000) Post Non-recurring	2013 €(000)
Turnover - continuing operations	2	446,923		446,923	453,559
Cost of sales		(354,217)		(354,217)	(360,131)
Gross profit		92,706		92,706	93,428
Net operating costs	3	(86,363)	2,574	(83,789)	(88,177)
Group operating profit - continuing operations		6,343	2,574	8,917	5,251
Share of operating profit of associate	9(iii)	186	-	186	155
Share of operating profit of joint venture	9(iv)	191	-	191	-
Total operating profit		6,720	2,574	9,294	5,406
Exceptional items	6	-	(2,234)	(2,234)	(443)
Profit before interest and taxation		6,720	340	7,060	4,963
Net interest payable and similar charges	5	(982)	-	(982)	(1,355)
Investment income		254	-	254	182
Profit before taxation		5,992	340	6,332	3,790
Taxation	7	(891)	-	(891)	(396)
Profit after taxation		5,101	340	5,441	3,394
Minority interests	23	(1,182)	-	(1,182)	(742)
Profit for the financial year	21	3,919	340	4,259	2,652

Tom Cunniffe
Chairman

Aaron Forde
Chief Executive

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2014

	Notes	2014 €(000)	2013 €(000)
Profit for the financial year		4,259	2,652
Exchange rate adjustment		17	(6)
Pension fund actuarial (loss)/gain	28	(5,426)	1,998
Total recognised gains and losses for the financial year		(1,150)	4,644

Tom Cunniffe
Chairman

Aaron Forde
Chief Executive

Consolidated Reconciliation of Movement in Shareholders' Funds

For the year ended 31 December 2014

	Notes	2014 €(000)	2013 €(000)
Opening shareholders' funds		38,698	34,096
Profit for the financial year		4,259	2,652
Dividends on shares	21	(184)	(122)
Retained profit		4,075	2,530
Other recognised gains and losses relating to the year (net)		(5,409)	1,992
New share capital issued		810	20
Funds held in equity reserve		189	175
Share capital redeemed	18	(133)	(115)
Net (decrease)/increase in shareholders' funds		(468)	4,602
Closing shareholders' funds		38,230	38,698

Consolidated Balance Sheet

As at 31 December 2014

	Notes	2014 €(000)	2013 €(000)
Fixed assets			
Tangible assets	8	31,326	34,814
Goodwill	9(i)	9,109	9,645
Financial fixed assets			
Investment properties	9(ii)	2,300	2,300
Investment in associate	9(iii)	280	236
Investment in joint venture	9(iv)	167	1
Other investments	9(v)	3,085	4,390
		46,267	51,386
Current assets			
Stocks	10	21,080	23,167
Debtors	11	39,863	42,773
Bank and cash	12	11,742	8,284
		72,685	74,224
Creditors: amounts falling due within one year	13	(59,144)	(61,861)
Net current assets		13,541	12,363
Total assets less current liabilities		59,808	63,749
Creditors: amounts falling due after more than one year	14	(5,459)	(11,472)
Provisions for liabilities and charges	16	(755)	(753)
Capital grants	17	(422)	(464)
Net assets excluding net pension liability		53,172	51,060
Net pension liability	28	(8,659)	(7,011)
Net assets including net pension liability		44,513	44,049
Capital and reserves			
Share capital	18	10,019	9,141
Equity reserve	19	364	175
Capital reserves	20	3,144	3,144
Revenue reserves	21	24,375	25,859
Bonus reserve	22	328	379
Shareholders' funds		38,230	38,698
Minority interests	23	6,283	5,351
Equity		44,513	44,049

Tom Cunniffe
Chairman

Aaron Forde
Chief Executive

Consolidated Cash Flow Statement

For the year ended 31 December 2014

	Notes	2014 €(000)	2013 €(000)
Net cash inflow from operating activities	24(i)	10,715	11,383
Returns on investments and servicing of finance	24(ii)	(1,159)	(1,534)
Taxation paid		(631)	(539)
Capital expenditure and financial investment	24(iii)	(4)	(2,238)
Acquisitions and disposals	24(iv)	1,871	(581)
Dividends paid	21	(184)	(122)
Net cash inflow before financing		10,608	6,369
Financing	24(v)	(3,378)	(1,155)
Increase in cash in the year		7,230	5,214

Reconciliation of Net Cash Flow To Movement In Net Debt

For the year ended 31 December 2014

	Notes	2014 €(000)	2013 €(000)
Increase in cash in the year		7,230	5,214
Bank loans	25	3,725	1,500
Finance leases	25	519	(265)
Movement in net debt in year		11,474	6,449
Effect of exchange rate fluctuations		6	25
Net debt at 1 January		(12,922)	(19,396)
Net debt at 31 December	25	(1,442)	(12,922)

1. Accounting Policies

(a) ACCOUNTING CONVENTION

The Financial Statements have been prepared in accordance with the historical cost accounting convention as modified by the revaluation of investment properties and have been prepared in accordance with accounting standards generally accepted in Ireland as issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

(b) BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise the Financial Statements of Aurivo Co-operative Society Limited its subsidiaries, associates and joint venture.

(c) TURNOVER

Turnover is shown net of value added tax and represents the fair value of goods and services supplied to third parties exclusive of trade discounts and value added tax. Some sales to the Irish Dairy Board Co-Operative Limited are based on "on Account" prices and can be subject to adjustment when the prices are finally agreed. Goods are deemed to have been delivered and related revenue recognised when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in these benefits.

(d) STOCKS

Stocks have been valued at the lower of cost and net realisable value on the first-in, first-out basis consistent with prior years. Cost in the case of products manufactured consists of direct material and labour costs together with the relevant production overheads. Net realisable value is based on contracted or estimated selling prices less selling and distribution expenses and administration overheads.

(e) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost or revalued amount less accumulated depreciation. Depreciation is calculated on the straight line basis by reference to the expected useful lives of the tangible fixed assets. The rates used are as follows:

	Per Annum
Land	*Nil*
Buildings	*5%*
Plant, Machinery & Equipment	*10% - 33 1/3%*
Motor Vehicles	*20% - 25%*
Computer Equipment	*33%*

Provision is made for any permanent impairment.

(f) FINANCIAL FIXED ASSETS

Associate and joint venture undertakings

Associated undertakings (associates) are those undertakings in which the Society has a participating interest in the equity capital and over which it is able to exercise significant influence.

Joint venture undertakings (joint ventures) are those undertakings over which the Group exercises control jointly with another party.

Associates and joint ventures are accounted for using the equity and gross equity method respectively. The Society's share of the profits less losses of associates and joint ventures are included in the consolidated profit and loss account. The Society's interests in their net assets or liabilities are included as fixed asset investments in the consolidated balance sheet at an amount representing the Society's share of the fair values of the net assets at acquisition plus the Society's share of post acquisition retained profits or losses.

Goodwill arising on the acquisition of associates and joint ventures is dealt with as stated below.

The amounts included in the consolidated financial statements in respect of the post acquisition profits of associates and joint ventures are taken from their latest audited financial statements made up to the balance sheet date.

Investment properties

Investment properties are revalued annually and are not depreciated or amortised. Where the valuation indicates a permanent diminution in the value of the property, the permanent diminution is charged to the profit and loss account. All other fluctuations in value are transferred to a revaluation reserve.

1. Accounting Policies (continued)

Convertible loan stock

Convertible loan stock has been issued by the Irish Dairy Board Co-operative Limited (IDB) to the Society. The allocation of Convertible loan stock is based on the level of trading with the IDB. The loan stock is convertible into cash over a six year period which starts five years from the date of issue.

Other investments

Financial fixed assets other than investment properties are shown at cost less provisions for permanent impairments in value. Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the year in which it is receivable.

(g) CAPITAL GRANTS

Capital Grants received by the Society are treated as deferred credits and released to the profit and loss account over the expected useful lives of the assets to which they relate.

(h) FOREIGN EXCHANGE

Assets and liabilities denominated in foreign currencies are translated into Euro at the rate ruling at the Balance Sheet date. Profits and losses resulting from foreign currency transactions are dealt with in the profit and loss account as they arise.

(i) TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

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

Deferred tax assets are only recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

(j) GOODWILL

Purchased goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets when they were acquired. Any excess of the aggregate of the fair value of the identifiable net assets acquired over the fair value of the acquisition cost is negative goodwill.

Purchased goodwill arising on acquisitions prior to 1 January 2005 was eliminated against reserves on acquisition and negative goodwill arising on such acquisitions was credited directly to reserves as a matter of accounting policy. On disposal of the business, any goodwill so treated is written back through the profit and loss account and included in determining the profit or loss on sale of the business. Purchased goodwill arising on acquisitions after 1 January 2005 is capitalised in the balance sheet and amortised over the estimated economic life of the goodwill (20 years).

Negative goodwill arising on such acquisitions is also capitalised and shown separately in the balance sheet and credited to the profit and loss account to match the periods in which the acquired non-monetary assets are recovered, currently 10 years.

Goodwill arising on the acquisition of associates is included in the carrying amount of the investment.

(k) LEASING

Rights to the use of fixed assets acquired under a lease which transfers substantially all of the risks and rewards of ownership to the Society are capitalised as a fixed asset.

Amounts payable under such finance leases, net of finance charges are shown as falling due within one year or after more than one year as appropriate.

Finance charges in respect of finance leases are charged to the profit and loss account over the term of the lease on an actuarial basis. All other leases are operating leases and the annual rentals are charged to the profit and loss account.

1. Accounting Policies (continued)

(l) PENSIONS

The Society makes pension contributions for a substantial number of employees.

In relation the Society's defined contribution pension scheme, the assets of the scheme are held separately from those of the Society in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Society operates a defined benefit scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Society. Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension schemes surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the schemes surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

The Society participates in the Irish Co-operative Societies (ICOS) pension scheme which is a multi-employer defined benefit pension scheme, but is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the parent's profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(m) RESEARCH AND DEVELOPMENT

Research and Development expenditure is written off in the year in which it is incurred.

(n) DIVIDENDS

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Sales by Market

	2014 €(000)	2013 €(000)
Ireland	404,080	412,926
United Kingdom	42,108	39,833
Other	735	800
	446,923	453,559

Sales in Ireland include sales to the Irish Dairy Board for export both inside and outside the E.U.

The amount of turnover by business unit is as follows:

	2014 €(000)	2013 €(000)
Consumer Foods	75,266	74,789
Dairy Ingredients	135,795	125,084
Agri Business	102,787	124,883
Marts	80,981	84,030
Other Activities	52,094	44,773
	446,923	453,559

Segmental disclosure of profit before taxation and net assets by geographical area and by class of business are not provided, as in the opinion of the Directors, such information would be prejudicial to the interests of the Society. Accordingly, this information has not been disclosed as permitted by SSAP 25 "Segmental Reporting".

3. Net Operating Costs

	Notes	2014 €(000)	2013 €(000)
Staff costs (i)	4	28,477	30,852
Other external charges		49,596	50,989
Auditors remuneration		148	148
Depreciation	8	5,228	5,741
Goodwill amortisation	9(i)	536	536
Amortisation of government grants	17	(42)	(149)
(Profit)/loss on disposal of tangible assets		(154)	60
		83,789	88,177

(i) Included in staff costs above is a past service credit of €2,574,000 relating to a Section 50 application which was approved by the Irish Pensions Board during the year.

4. Employees and Remuneration

	Notes	2014 €(000)	2013 €(000)
Wages and salaries		26,576	26,256
Social welfare costs		2,722	2,702
Pension costs		1,753	1,894
Pension past service credit	3(i)	(2,574)	–
Charged to profit and loss account		28,477	30,852
Actuarial loss/(gain) on defined pension schemes	28	5,426	(1,998)
Redundancy costs	6(b)	1,989	686
Total		35,892	29,540

The weekly average number of persons employed by the Society was 696 (2013: 719).

5. Net Interest Payable and Similar Charges

	Notes	2014 €(000)	2013 €(000)
Bank interest and charges		1,008	1,269
Lease charges		17	12
Pension finance (net)	28	(43)	1
Unwinding of discount on deferred consideration		–	73
		982	1,355

6. Exceptional Items

	Notes	2014 €(000)	2013 €(000)
Profit on disposal of financial assets	(a)	(898)	(123)
Restructuring costs	(b)	3,132	686
Reversal of impairment of financial assets (note 9(v))	(c)	–	(566)
Write-down of unquoted investment	(d)	–	446
		2,234	443

(a) The profit on disposal of €898,000 in 2014 arose on the sale of unquoted investments which were held at a cost of €1,359,000 (note 9(v)). The profit on disposal of €123,000 in 2013 arose on the sale of quoted investments which were held at a cost of €82,000 (note 9(v)).

(b) The restructuring costs of €3,132,000 in 2014 relate to redundancy costs of €1,989,000 (2013: €686,000), a write-down of fixed assets of €848,000 and a loss on disposal of fixed assets of €295,000 on the closure of the liquid milk processing plant in Sligo.

(c) At 31 December 2012 the Directors recorded an impairment charge against the carrying value of the Society's investment in One51 plc of €867,000. In 2013 this charge was partly reversed based on an increase in the market value of the investment at 31 December 2013.

(d) At 31 December 2013, an investment that the Society was carrying was re-valued based on the Directors' estimate of the receivable amount of the investment, and an impairment of €544,000 was recorded (note 9(v)). A provision of €98,000 recognised in prior years against the carrying value of this investment which had been recorded within provisions on the balance sheet was released in 2013.

7. Taxation

	Notes	2014 €(000)	2013 €(000)
Current Taxation:			
Parent Society & Subsidiaries		776	378
Associate	9(iii)	33	18
Joint Venture	9(iv)	2	–
		811	396
Deferred Taxation:			
Parent Society & Subsidiaries		57	–
Joint Venture	9(iv)	23	–
		891	396

	2014 €(000)	2013 €(000)
Factors affecting current tax charge of Parent Society, Subsidiaries, Associate and Joint Venture for the year:		
Profit before taxation	6,332	3,790
Tax on profit before taxation at the standard rate of corporation tax for the year of 12.5% (2013:12.5%)	792	474
Additional tax on profit liable at other than standard rate	161	26
Dividend income not liable to corporation tax	–	(6)
Excess of depreciation over capital allowances	174	286
Tax losses (utilised)/carried forward	(48)	(595)
Permanent differences and other timing differences	(255)	211
Over provision in relation to prior year	(13)	–
Group current tax charge for the year	811	396

Deferred tax assets amounting to €2,336,136 (2013: €1,564,493) in respect of tax losses forward and other timing differences have not been recognised, because it is not probable that future taxable profits or tax liabilities, of the type which would absorb these losses and other timing differences, will be available.

8. Tangible Assets

	Land & Buildings €(000)	Plant Machinery & Equipment €(000)	Computer Equipment & Software €(000)	Motor Vehicles €(000)	Total €(000)
Cost/Revaluation					
At 1 January 2014	47,529	124,095	1,137	5,841	178,602
Additions	739	1,614	682	43	3,078
Disposals	(18)	(744)	–	(114)	(876)
Write-down of assets	(1,321)	(4,448)	–	–	(5,769)
At 31 December 2014	46,929	120,517	1,819	5,770	175,035
Depreciation					
At 1 January 2014	29,235	109,369	310	4,874	143,788
Charge for year	1,637	2,794	487	310	5,228
Disposals	(11)	(263)	–	(112)	(386)
Write-down of assets	(1,034)	(3,887)	–	–	(4,921)
At 31 December 2014	29,827	108,013	797	5,072	143,709
Net Book Value					
At 31 December 2014	17,102	12,504	1,022	698	31,326
At 31 December 2013	18,294	14,726	827	967	34,814

Included in the net book values of plant, machinery and equipment are assets acquired under finance lease agreements with a net book value of €2,615,878 (2013: €4,096,271). During 2014 an asset held under finance lease with a net book value of €492,700 was disposed of. The depreciation charged in respect of these leased assets and included in the total depreciation charge was €987,693 (2013: €1,100,969).

9. Goodwill and Financial Fixed Assets

(i) GOODWILL:	2014 €(000)	2013 €(000)
At 1 January	9,645	10,149
Acquired during the year (i)	–	32
Amortisation (ii)	(536)	(536)
At 31 December	9,109	9,645

(i) In January 2013, the Society acquired the 'Organic for Us' brand from Donegal Investment Group plc, for a consideration of €32,000 which resulted in goodwill of €32,000 being recognised.

(ii) Goodwill is being amortised to the Profit and Loss Account over 20 years.

(ii) INVESTMENT PROPERTIES:	2014 €(000)	2013 €(000)
At 1 January and 31 December	2,300	2,300

At 31 December 2014, land held as investment property by a subsidiary company North Western Livestock Holdings Limited, in which the Society has a 70.91% shareholding, was valued by the Directors on an open market basis. In the opinion of the Directors there has been no change in the valuation of the investment properties since 31 December 2013.

(iii) INVESTMENT IN ASSOCIATE:	Notes	2014 €(000)	2013 €(000)
At 1 January		236	164
Share of profit of associate		186	155
Share of taxation of associate	7	(33)	(18)
Dividend from associate	24(ii)	(109)	(65)
At 31 December		280	236

The carrying value of €280,000 represents the Society's investment in County Mayo Radio Limited.

During 2014 the Society's investment in County Mayo Radio Limited increased from 21.43% to 27.27% as a direct result of a buyback of shares by County Mayo Radio Limited.

9. Goodwill and Financial Fixed Assets (continued)

(iv) INVESTMENT IN JOINT VENTURE:	Notes	2014 €(000)	2013 €(000)
At 1 January		1	–
Additions		–	1
Share of profit of joint venture		191	–
Share of taxation of joint venture	7	(25)	–
At 31 December		167	1

On 18 November 2013 the Society entered into a joint venture arrangement with HDS Energy Limited ("HDS") to construct and operate a Biomass Energy System at the Society's Dairy Ingredients processing plant in Ballaghaderreen, Co Roscommon. The joint venture, Glanóir Energy Limited, is owned and controlled jointly by Aurivo Co-operative Society Limited and HDS. The Society's 50% shareholding in Glanóir Energy Limited has been recognised on the Society's balance sheet at 31 December 2014.

The Society's interest in the gross assets and liabilities of its joint venture are as follows:

	2014 €(000)	2013 €(000)
Share of gross assets	2,766	2,193
Share of gross liabilities	(2,599)	(2,192)
	167	1

There are no capital commitments relating to the joint venture at 31 December 2014 (2013: €500,000).

9. Goodwill and Financial Fixed Assets (continued)

(v) OTHER INVESTMENTS:

	Quoted Investments 2014 €(000)	Unquoted Investments 2014 €(000)	Convertible Loan Stock 2014 €(000)	Total 2014 €(000)	Total 2013 €(000)
At 1 January	727	1,621	2,042	4,390	4,895
Loan stock granted (ii)	–	–	461	461	66
Loan stock redeemed(ii)	–	–	(362)	(362)	(466)
Disposals (iii)	–	(1,359)	–	(1,359)	(82)
Impairment (iv)	–	–	–	–	(544)
Reversal of impairment (v)	–	–	–	–	566
Investment redeemed (vi)	–	(45)	–	(45)	(45)
At 31 December	727	217	2,141	3,085	4,390

(i) The market value of the quoted investments at the date of the approval of the financial statements was €19,201,000.

(ii) Convertible loan stock has been issued by the Irish Dairy Board Co-operative Limited (IDB) to the Society. During the year €362,000 of loan notes were redeemed (2013: €466,000) and loan notes of €461,000 were granted (2013: €66,000)

(iii) During 2014 unquoted investments with a book value of €1,359,000 were sold for €2,257,000 (note 6(a)). During 2013 quoted investments with a book value of €82,000 were sold for €205,000 (note 6(a)).

(iv) Other unquoted investments in the Society were written down at 31 December 2013 based on the Directors assessment of the investments recoverable amount.

(v) At 31 December 2012 the Directors recorded an impairment charge against the carrying value of the Society's investment in One51 plc. In 2013 this charge was partly reversed based on an increase in the market value of the investment at 31 December 2013 (note 6(c)).

(vi) During 2014 and 2013 an investment the Society holds through one of its subsidiaries was partly redeemed at face value.

In the opinion of the directors the value of the investments is not less than their carrying value as shown above.

10. Stocks

	2014 €(000)	2013 €(000)
Raw materials	2,959	5,898
Finished goods and goods for resale	16,221	14,897
Expense stock	1,900	2,372
	21,080	23,167

The replacement cost of stocks is not materially different from the carrying value as stated above.

11. Debtors

	2014 €(000)	2013 €(000)
Trade debtors (i)	33,874	36,372
Other debtors and prepayments (ii)	3,224	4,299
V.A.T.	2,765	2,102
	39,863	42,773

(i) Trade debtors included an amount of €1,391,000 at 31 December 2014 (2013: €39,000) in respect of which finance has been provided to the Society by a financial institution by way of debt factoring.

(ii) Other debtors and prepayments at December 2013 includes an amount of Stg£1,560,000 (€1,871,000) of loan notes which arose on the disposal of the Society's investment in Kent Foods Limited. All of this balance was received in 2014.

12. Bank and Cash

The bank and cash balance of €11,742,000 at 31 December 2014 contains €491,000 of restricted cash (2013: Nil).

13. Creditors: Amounts Falling Due Within One Year

	2014 €(000)	2013 €(000)
Trade creditors and accruals (i)	49,434	50,328
Bank overdrafts and loans (ii)	8,304	10,222
Finance leases	–	91
PAYE/PRSI	821	757
Corporation tax	585	463
	59,144	61,861

(i)Trade creditors and accruals include amounts owing to suppliers who have a reservation of title clause in their contracts of sale.

(ii) Bank borrowings are secured on the assets of the Society and its subsidiaries. The maturity of bank loans and finance leases is analysed in Note 15.

14. Creditors: Amounts Falling Due After More Than One Year

	2014 €(000)	2013 €(000)
Bank loans (i)	4,880	10,465
Finance leases	–	428
Minority shareholders loans	579	579
	5,459	11,472

(i) Bank borrowings are secured on the assets of the Society and its subsidiaries. The maturity of bank loans and finance leases in analysed in Note 15.

15. Details of Borrowings

MATURITY ANALYSIS	Within 1 Year €(000)	Between 1 to 2 Years €(000)	Between 2 to 5 Years €(000)	Greater than 5 Years €(000)	Total €(000)
Repayable other than by instalment:					
Bank overdrafts	2,319	–	–	–	2,319
Repayable by instalment:					
Bank loans	5,985	1,520	3,360	–	10,865
Finance leases	–	–	–	–	–
	8,304	1,520	3,360	–	13,184

16. Provision for Liabilities and Charges

	Restructuring €(000)	Deferred Taxation €(000)	Total €(000)
At 1 January	527	226	753
Profit and loss account	1,989	80	2,069
Paid during year	(2,067)	–	(2,067)
At 31 December	449	306	755

The restructuring provision relates to the cost of restructuring announced during 2014 and previous years and relates primarily to redundancy costs.

17. Capital Grants

	2014 €(000)	2013 €(000)
At 1 January	464	517
Amortised during the year	(42)	(149)
Received during year	–	96
At 31 December	422	464

Grants received by the Society from Enterprise Ireland and Údarás na Gaeltachta and the Department of Agriculture, Fisheries and Food may be repayable in certain circumstances as outlined in the Grant Agreements.

18. Share Capital

	Notes	2014 €(000)	2013 €(000)
At 1 January		9,141	6,037
One for two bonus shares issued (ii)	21	–	3,057
Share applications		68	20
Shares redeemed		(133)	(115)
Issue of bonus shares	22	201	142
Shares issued out of equity reserve	19	742	–
At 31 December		10,019	9,141

(i) The issued share capital of the Society consists of 10,019,000 ordinary shares €1 each. In common with organisations registered under the Industrial and Provident Societies Acts 1893 to 2014, the Society does not have any authorised share capital.

(ii) At a Special General Meeting of the Society on 18 December 2013, it was agreed to issue all shareholders on the register at 1 October 2013, with one additional share for every two held by them on that date. This resulted in a transfer of €3,057,000 from the Society's revenue reserves to fund the issue of bonus shares (note 21).

19. Equity Reserve

	Notes	2014 €(000)	2013 €(000)
At 1 January		175	–
Funds received		931	175
Shares issued	18	(742)	–
At 31 December		364	175

The equity reserve relates to funds received from suppliers that are held awaiting conversion into ordinary share capital.

At 31 December 2014, amounts totalling €364,000 were received from certain suppliers and will be used to fund the issue of shares to these suppliers in future years. These funds will be recorded in the equity reserve until the shares are issued.

20. Capital Reserves

	2014 €(000)	2013 €(000)
At 1 January and 31 December	3,144	3,144

21. Revenue Reserves

	Notes	2014 €(000)	2013 €(000)
At 1 January		25,859	24,544
Profit for year		4,259	2,652
Dividends paid		(184)	(122)
Bonus reserve	22	(150)	(150)
Exchange rate adjustment		17	(6)
Pension funds actuarial (loss)/gain	28	(5,426)	1,998
Transfer from revenue reserves on issue of bonus shares	18	–	(3,057)
At 31 December		24,375	25,859
Revenue reserves excluding net pension liability		33,034	32,870
Net pension liability	28	(8,659)	(7,011)
Revenue reserves including net pension liability		24,375	25,859

Dividends proposed at 31 December 2014 amounted to €200,000 and in accordance with Financial Reporting Standards are not recognised in the financial statements until approved.

22. Bonus Reserve

	Notes	2014 €(000)	2013 €(000)
At 1 January		379	371
Transfer from revenue reserves	21	150	150
Transfer to share capital	18	(201)	(142)
At 31 December		328	379

The transfer from Revenue Reserves is in accordance with Rules 73 and 74 of the Society which allows for the establishment of a Reserve from which allocations of fully paid-up bonus shares in the Society may be made.

23. Minority Interests

	Notes	2014 €(000)	2013 €(000)
At 1 January		5,351	5,109
Share of profit		1,182	742
Dividend paid to minority interest	24(ii)	(250)	(500)
At 31 December		6,283	5,351

The minority interest represents the holding of equity in Earraí Coillte Chonnacht Teoranta (ECC Teo), North Western Livestock Holdings Limited and CG Training Limited by minority interests.

24. Notes to the Consolidated Cash Flow Statement

(i) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Notes	2014 €(000)	2013 €(000)
Group operating profit (excluding non-recurring items)		6,343	5,251
Depreciation charge	8	5,228	5,741
Government grants amortised	17	(42)	(149)
Goodwill amortised	9(i)	536	536
Contribution to pension schemes in excess of current service cost		(1,161)	(1,005)
(Profit)/loss on sale of tangible fixed assets		(154)	60
Decrease/(increase) in stocks		2,116	(2,409)
Decrease in debtors		846	2,447
(Decrease)/increase in creditors		(930)	1,839
Restructuring costs	16	(2,067)	(928)
Net cash inflow from operating activities		10,715	11,383

(ii) RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Notes	2014 €(000)	2013 €(000)
Interest paid		(1,008)	(1,269)
Interest element of finance leases		(17)	(12)
Dividend from associate		109	65
Dividend paid to minority interest	23	(250)	(500)
Dividend received		7	182
		(1,159)	(1,534)

24. Notes to the Consolidated Cash Flow Statement (continued)

(iii) CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Notes	2014 €(000)	2013 €(000)
Purchase of tangible fixed assets		(3,017)	(3,427)
Sale of tangible fixed assets		349	377
Sale of financial assets		2,257	205
Investment redeemed	9(v)	45	45
Loan stock redeemed	9(v)	362	466
Grant received	17	–	96
		(4)	(2,238)

(iv) ACQUISITIONS AND DISPOSALS

	Notes	2014 €(000)	2013 €(000)
Purchase of subsidiary undertakings		–	(2,500)
Sale of investment in associate	11(ii)	1,871	1,952
Purchase of brand	9(i)	–	(32)
Investment in joint venture	9(iv)	–	(1)
		1,871	(581)

(v) FINANCING

	2014 €(000)	2013 €(000)
Share capital issued (net)	677	(95)
Funds received awaiting conversion to share capital	189	175
Bank loans repaid	(3,725)	(1,500)
Finance leases	(519)	265
	(3,378)	(1,155)

25. Analysis of Changes in Net Debt

	Opening Balance €(000)	Cash Flow €(000)	Foreign Currency Movement €(000)	Closing Balance €(000)
Cash at bank and in hand	8,284	3,458	–	11,742
Overdrafts	(6,097)	3,772	6	(2,319)
	2,187	7,230	6	9,423
Bank loans	(14,590)	3,725	–	(10,865)
Finance leases	(519)	519	–	–
	(12,922)	11,474	6	(1,442)

26. Related Party Transactions

In the ordinary course of their business, as farmers, the Directors trade with the Society on standard commercial terms. The level of purchases from and sales to the Directors during 2014 amounted to €1,892,000 (2013: €1,903,000) and €624,000 (2013: €907,000) respectively. The net trading balances outstanding to the Society at 31 December 2014 were €25,000 (2013: €118,000).

27. Commitments

(a) Capital commitments were €414,000 at 31 December 2014 (2013: €1,092,000).

(b) Annual commitments existing under non-cancellable operating leases at 31 December are as follows:

	2014 €(000)	2013 €(000)
On leases expiring:		
Within one year	19	18
Between two and five years	256	213
More than five years	–	–
Total	275	231

(c) At the year end purchase commitments on forward contracts for certain raw materials not yet provided for in the financial statements amounted to €30,748,000 (2013: €23,320,000).

(d) The Society enters into forward foreign exchange contracts in the normal course of business to reduce foreign exchange transactional exposures arising from purchases or sales, predominantly in sterling. It is the Society's policy that no trading in financial instruments is undertaken. At the year end, the Society was committed to buying and selling sterling with an equivalent euro nominal value of €38,703,000 (2013: €21,852,000).

28. Pension Schemes

The Society operates a number of defined benefit pension schemes for employees and is also a member of the Irish Co-operative Societies pension scheme. FRS 17 "Retirement Benefits" has been fully adopted in respect of Aurivo Co-operative Society defined benefit pension schemes. There is a credit to the profit and loss account of the Society in the current year of €2,073,000 in respect of this scheme and a charge of €664,000 in 2013. The pension cost was assessed in accordance with the advice of an independent qualified actuary.

(i) AURIVO CO-OPERATIVE SOCIETY DEFINED BENEFIT PENSION SCHEMES

The Society operates a number of defined benefit pension schemes for employees with assets held in separately administered funds. Annual contributions to the pension schemes are based on the advice of qualified independent actuaries obtained every three years. The last actuarial valuations in respect of these schemes were carried out at 1 January 2012 and subsequently updated to 31 December 2014 for FRS 17 "Retirement Benefits" purposes. The actuarial reports are available for inspection by members of the schemes but not for public inspection. The valuations and related disclosures required under FRS 17 have been calculated by qualified independent actuaries based on the most recent full actuarial valuations at 1 January 2012, updated to 31 December 2014.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2014	2013	2012
	%	%	%
Rate of inflation	1.50	2.00	2.00
Rate of increase in salaries	2.00	2.50	2.50
Discount rate	2.10	3.75	3.75

The assets in the schemes and the expected rates of return were:

	2014 Expected Rate of Return	2014 Market Value	2013 Expected Rate of Return	2013 Market Value	2012 Expected Rate of Return	2012 Market Value
	%	€(000)	%	€(000)	%	€(000)
Equities	5.27	21,717	6.75	20,669	7.25	19,025
Bonds/Cash	0.5 to 1.77	19,937	0.50 to 2.98	13,932	1.00 to 2.75	12,290
Property	4.27	417	6.01	330	5.25	323
		42,071		34,931		31,638

28. Pension Schemes (continued)

The amounts recognised in the consolidated balance sheet are determined as follows:

	2014 €(000)	2013 €(000)	2012 €(000)
Total market value of schemes' assets	42,071	34,931	31,638
Actuarial value of schemes' liabilities	(50,730)	(41,942)	(41,651)
Net pension deficit	(8,659)	(7,011)	(10,013)
Related deferred tax asset	–	–	–
Net pension deficit	(8,659)	(7,011)	(10,013)

No deferred tax asset has been recognised in respect of the pension liability due to the level of uncertainty over the recoverability of such an asset.

In valuing the liabilities of the pension fund at 31 December 2014, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

Current pensioner aged 65: 21.0 years (male), 23.5 years (female)
Future retiree upon reaching 65: 23.5 years (male), 25.7 years (female)

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The amounts recognised in the consolidated profit and loss account are as follows:

	2014 €(000)	2013 €(000)
(Credited)/charged to operating profit:		
Current service cost	770	850
Past service credit	(2,800)	(187)
Total	(2,030)	663

28. Pension Schemes (continued)

	2014 €(000)	2013 €(000)
Other finance (income)/charge:		
Expected rate of return on pension schemes' assets	(1,603)	(1,550)
Interest on pension schemes' liabilities	1,560	1,551
Net interest (credit)/cost included in finance costs	(43)	1

The analysis of amounts recognised in the consolidated statement of total recognised gains and losses areas follows:

	2014 €(000)	2013 €(000)
Actual return less expected return on schemes' assets	5,000	1,171
% of scheme assets	11.88%	3.35%
Experience gains and losses	(167)	827
% of present value of scheme liabilities	(0.33%)	1.97%
Changes in assumptions	(10,259)	–
% of present value of scheme liabilities	(20.22%)	–
Actuarial (loss)/gain included in the statement of total recognised gains and losses	(5,426)	1,998

The movement in deficit in the schemes during the year is as follows:

	2014 €(000)	2013 €(000)
At 1 January	(7,011)	(10,013)
Current service cost	(770)	(850)
Contributions	1,705	1,668
Past service credit	2,800	187
Other finance income/(charge)	43	(1)
Actuarial (loss)/gain	(5,426)	1,998
Deficit at 31 December	(8,659)	(7,011)

28. Pension Schemes (continued)

The movement in the fair value of plan assets is as follows:

	2014 €(000)	2013 €(000)
At 1 January	34,931	31,638
Expected return on plan assets	1,603	1,550
Actuarial gains	5,000	1,171
Contributions by employer and members	2,050	2,022
Benefits paid	(1,513)	(1,450)
At 31 December	42,071	34,931

No deferred tax asset has been recognised with respect to the pension liability due to the level of uncertainty over the recoverability of such an asset.

HISTORY OF PLANS

The history of plans for the current and prior periods is as follows:

	2014 €(000)	2013 €(000)	2012 €(000)	2011 €(000)	2010 €(000)
Present value of scheme liabilities	(50,730)	(41,942)	(41,651)	(35,307)	(37,491)
Fair value of scheme assets	42,071	34,931	31,638	27,912	31,239
Deficit at 31 December	(8,659)	(7,011)	(10,013)	(7,395)	(6,252)

EXPERIENCE ADJUSTMENTS

	2014 €(000)/%	2013 €(000)/%	2012 €(000)/%	2011 €(000)/%	2010 €(000)/%
Experience adjustments on scheme liabilities	(167)	827	(507)	133	442
% of scheme liabilities	(0.33)	1.97	(1.22)	0.38	1.2
Experience adjustments on scheme assets	5,000	1,171	1,787	(2,489)	1,693
% of scheme assets	11.88	3.35	5.65	(8.92)	5.4

28. Pension Schemes (continued)

(ii) THE IRISH CO-OPERATIVE SOCIETIES PENSION SCHEME

The Society participates in the Irish Co-operative Societies (ICOS) pension scheme which is a multi-employer defined benefit pension scheme. However as the underlying assets and liabilities attributable to individual employers cannot be identified on a consistent and reasonable basis, the Society is accounting for the pension scheme as if it were a defined contribution scheme in accordance with FRS 17.

The most recent full actuarial valuation of the Irish Co-operative Societies' Pension Scheme was carried out on 1st July 2011. The report is available for inspection by Scheme members but is not available to the public. At the date of the most recent full actuarial valuation of 1st July 2011 the Scheme did not meet the Minimum Funding Standard. An actuary's certificate to this effect has been included in the trustee annual report.

In general, the assumptions which have the most significant effect on the results of the actuarial valuation are those relating to the return on investment and the rate of increase in salaries. The rate of return on investment was assumed to exceed the rate of increase in salaries by 2.5% per annum.

The trustee has prepared and submitted an application to the Pensions Board for a Section 50 Order under the Pensions Act. If the Pensions Board grants the Section 50 Order it will ensure that the Scheme will meet the Minimum Funding Standard.

29. Post Balance Sheet Event

On 27 February 2015, the Society acquired the entire share capital of My Goodness Limited, a UK-based sports nutrition company.

30. Subsidiaries, Associate and Joint Venture

Subsidiaries – Republic of Ireland	% Holding	Activity
Aurivo Consumer Foods Ltd	100%	Manufacture of Dairy Products
Aurivo Dairy Ingredients Ltd	100%	Manufacture of Dairy Products
Earraí Coillte Chonnacht Teoranta (ECC Teo)	66.67%	Timber Production
North Western Livestock Holdings Ltd	70.91%	Holding company
Ballina Milk Co. Ltd (Purefresh Dairies)	100%	Non Trading
Connacht Gold Ltd	100%	Non Trading
Connacht Gold Properties Ltd	100%	Non Trading
CG Training Limited	75%	Non Trading
Moy Valley Seed Potato Company Ltd	100%	Non Trading
Palmar Ltd	100%	Non Trading
Sligo Dairies Ltd	100%	Non Trading

Subsidiaries – Northern Ireland	% Holding	Activity
Connacht Gold (Northern Ireland) Ltd	100%	Milk Trading
Aurivo (NI) Limited	100%	Milk Trading and Retail

Associate – Republic of Ireland	% Holding	Activity
County Mayo Radio Ltd	27.27%	Radio Station

Joint Venture – Republic of Ireland	% Holding	Activity
Glanóir Energy Ltd	50%	Biomass Energy

All subsidiaries, associatesand joint ventures operate in the Republic of Ireland and the United Kingdom. The addresses of the Registered Offices of the subsidiaries, associate and joint venture, are available at Aurivo Co-operative Society Limited, Finisklin Business Park, Sligo, Co Sligo.

All of the subsidiaries incorporated under the Companies Acts 1963 to 2013 Republic of Ireland with the exception of North Western Livestock Holdings Ltd and CG Training Limited, have availed of the exemption available under Section 17 of the Companies (Amendment) Act 1986 and will file these Group financial statements with their annual returns instead of their own Financial Statements. The Society has guaranteed the liabilities of the subsidiaries availing of this exemption.

31. Approval of Board of Directors

The financial statements were approved by the Board of Directors on 16 March 2015.

Aurivo
Co-operative Society Ltd.

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