Aurivo

Co-operative Society Ltd.

ANNUAL REPORT 2024


Nutrias
The science of animal nutrition
ENRICHED
ATP
ENRICHED
Weanling
Crunch ATP

CONTENTS

OUR BRANDS

Homeland

Nutrias
The science of animal nutrition

GOLD STAR
Quality Feeds

SINCE 1897
CONNACHT GOLD

SINCE 1897
CONNACHT GOLD
Organic For US
100% Natural Goodness

Donegal Creameries

FOR GOODNESS SHAKES®

Arrabawn

Dawn

Aurivo 2024 IN BRIEF

Turnover €725.1m
(2023: €638.6m)

EBITDA* €27.3m
(2023: €14.0m)

Net debt €11.5m
(2023: €26.5m)

Shareholders' funds €108.7m
(2023: €98.1m)

CapEx investment programme €58.4m
(2020–2024)

Aurivo milk pool 516m
(litres)

*Earnings before interest, tax, depreciation and amortisation

2024 IN PICTURES


SINCE 1897
CONNACHT
GOLD


Aurivo
FUTUREMILK


Homeland
Bee Green
With Homeland

CHAIRPERSON'S STATEMENT

I am pleased to report that despite the very difficult weather conditions on farm, the ongoing geopolitical issues and inflationary pressures, the Society delivered a strong financial performance for 2024.

FINANCIAL PERFORMANCE AND MILK PRICE

Our financial results reflect the strength of our business. We have continued to perform well, achieving €725.1m of turnover, underpinned by strong operational performance across our key business units. Our operating profit for the year reached €17m, demonstrating the robustness of our business.

We are proud to have maintained a competitive average milk price for our suppliers. The average milk price for the year was 52.91cpl, providing a good return for our milk suppliers. In addition we created a stability fund of €3m and this will be used to manage volatility in future years.

The resilience of our milk supply has been a highlight this year, with our farmers navigating the challenge of adverse weather conditions for a large part of the year. Milk supply held up well, finishing up 1.5% on 2023 supply against a backdrop of Irish milk supply being back 0.4% nationally, and we are grateful for the dedication and hard work of our milk suppliers in ensuring a steady and high-quality supply throughout the year.

BUSINESS UNIT PERFORMANCE

Agribusiness had a strong year, with good transaction growth and our Mill producing record tonnage. We also saw strong performance in our Livestock Marts, with high throughput in both cattle and sheep and record prices continuing throughout the year.

Our Dairy Ingredients business performed well, supported by solid demand in the market. The Consumer Foods business also had a successful year, with record volumes produced at our Killygordon liquid milk plant. For Goodness Shakes continued to perform well, delivering impressive results in a highly competitive and challenging environment.

SUSTAINABILITY AND INVESTMENT FOR THE FUTURE

In 2024, we have continued our focus on sustainable growth. Our commitment to reducing our environmental footprint and promoting sustainable practices across the business remains unwavering. We have made significant strides in improving energy efficiency, reducing emissions, and promoting sustainable farming practices. The introduction of a sustainability bonus for our milk suppliers who meet environmental criteria is one of the key initiatives this year and underpins our commitment to a sustainable future for dairy farming in Ireland. The Aurivo/Teagasc Farm Profitability Programme, now in its fourth phase (2024–2026), continues to play a central role in improving farm profitability while minimising environmental impact.

Aurivo Livestock Marts had a strong 2024

Our investment programme remains a key pillar of our strategy. Ongoing investments in Dairy Ingredients, such as upgrading the pasteuriser and separator, along with the installation of a new bag house filter, will enhance operational efficiencies and provide the flexibility to diversify our product offerings in the future. Investment across our store network also continued in 2024 with a number of developments and upgrades to different sites. We remain committed to the continued development of our liquid milk business, following the strategic acquisition of the Arrabawn liquid milk and butter van sales business in 2023. This acquisition continues to enhance our position in the liquid milk market.

DONEGAL CREAMERIES 125TH ANNIVERSARY

In June 2024, we were proud to celebrate the 125th anniversary of Donegal Creameries, one of Ireland's largest volume liquid milk plants situated in Killygordon, County Donegal. Since its founding in 1899, Donegal Creameries has been a vital part of the Donegal

Donegal Creameries' 125-year anniversary celebrations

community, now producing close to 140 million litres of milk annually—25% of the country's liquid milk supply. Over the past six years, Aurivo has invested €7.5m in capital projects at the plant, ensuring it remains a leader in the industry. Committed to sustainability, Donegal Creameries is on track to achieve a 35% reduction in Scope 1 and 2 emissions ahead of the 2030 government target, through initiatives like heat pump technology and biogas usage. The plant continues to play a vital role in supporting local farmers and communities.

ACKNOWLEDGEMENTS

Raymond Barlow
Chairperson

I would like to thank everyone in our team at Aurivo for your dedication and commitment throughout the year. Thank you also to our shareholders for your continued loyalty and support of the Society. A very sincere thank you to all our customers in all our markets for your ongoing business. We look forward to working with you and further strengthening our relationships over the year ahead. I would also like to acknowledge the ongoing contribution and commitment of the Aurivo Board and the Regional Advisory Committees to the Society and its members. I look forward to continuing to work with the Board and Senior Management, to build on the successes achieved in 2024.

OUTLOOK

Looking ahead to 2025, we remain cautious but optimistic. The global geopolitical landscape continues to be highly unpredictable, with ongoing tensions that have the potential to disrupt markets and supply chains. The US-led trade barriers and protectionist policies could introduce new inflationary pressures, particularly on raw materials, energy, and agricultural inputs. These factors may put additional strain on both farm and business costs.

That said, we are prepared to adapt to these challenges. Through prudent management, ongoing strategic investments, and a steadfast commitment to supporting our farmer members, we will continue to position ourselves for long-term growth and resilience. While inflationary pressures may persist, we are focused on driving efficiencies within our operations and ensuring that we are well-placed to weather any external shocks.

Raymond Barlow
Chairperson
19th March 2025

CHIEF EXECUTIVE'S REVIEW

2024 was a year of steady progress on our five-year strategic plan, Focus 2027. The co-op has continued to deliver for all member owners, with the business reporting a strong financial and operating performance for 2024, coupled with a very strong milk price performance.

The early months of 2024 presented very difficult and challenging conditions on farm with exceptionally unseasonal weather. However, the later part of the year turned on a positive axis with both trading and weather conditions improving significantly from September 2024 onwards.

FINANCIAL REVIEW

Following on from a very challenging year in 2023 for the entire dairy sector, I am very happy to report that in 2024 Aurivo reported a strong financial performance.

Turnover for 2024 was €725.1m, an increase of 13.5% on 2023, while operating profit increased by 236.1% to €17m. EBITDA was €27.3m, an increase of 94.8% on 2023.

Aurivo's Dairy Ingredients business revenues were €289.6m, an increase of 22.5% on the corresponding period last year (2023: €236.3m). Our Consumer Foods' revenues increased by some 15.1% to €158.3m (2023: €137.5m) while our Agribusiness remained steady, recording a slightly lower revenue of €159.9m (2023: €161.7m). Our Livestock Marts business had another strong year with revenues increasing by 13.8% to €117.3m (2023: €103.1m).

Aurivo continued its strong capital investment programme in 2024 with €8.8m being invested across the business.

We concluded 2024 with a strong balance sheet. Our net debt position was reduced significantly, to €11.5m (from €26.5m in 2023) while closing shareholder funds increased further to €108.7m.

DAIRY MARKETS

Difficult weather conditions in spring and summer limited grass growth during the critical period for milk production and had the effect of hampering same. Nationally, milk collections in the year fell to approximately 8.4bn litres, a decline of 0.4% on 2023 levels (and down 4.2% on 2022), making it the second year in a row that Irish milk supply has decreased since milk production quotas were lifted in 2015. The difficult early spring was offset by positive weather conditions from September onwards which, in fact, extended the grazing season later into the last quarter of the year. High farm gate prices in the second half of the year motivated farmers to keep cows on lactation for a longer period which assisted in driving strong milk supply over the final months of the year.

Colm Duffy, Farm Commercial Specialist and Cathal McHugh, Strokestown

Aurivo's total milk volume collected for the year bucked the national trend and finished marginally up on 2023, by 1.5% to 516m litres. Our average ROI constituents also improved, with protein growing by 0.04% to 4.42% and butterfat by 0.05% to 3.62%

Donal Tierney
Chief Executive

Launch of Aurivo Sustainability Strategy

We are pleased to report that a very strong manufacturing milk price was paid to our suppliers in 2024, averaging 52.91cpl, an increase of 23% on 2023 (43.1cpl) when adjusted for constituents and including VAT.

OPERATIONS

Dairy Ingredients

Our Dairy Ingredients business unit reported a much improved and strong year in 2024.

We welcomed 24 new entrants to dairy, which we believe was over 20% of all the new entrants to dairying in the Republic of Ireland in 2024.

In response to emerging customer trends, our New Product Development team in Ballaghaderreen developed 12 new products and we also made good progress on our strategic goal of broadening our geographic footprint with South-East Asia now accounting for 10% of our sales, having grown from zero in 2022.

Whilst weather had an impact on milk flows in the middle of the year, we amended our shift pattern and reduced operational hours to ensure the site operated as efficiently as possible.

We continue to grow our branded/added value proportion of sales through the development of innovative protein and butterfat products through existing customers and new customers.

In Quarter 4, 2024 we commenced a capital investment project to install a new bag filter on our Niro dryer; this project is going to plan and is scheduled to be operational ahead of our peak supply period in April 2025.

Bawnmore farm in County Galway, owned by the Killeen family (Dara and Beatrix Killeen), was announced as the Aurivo Milk Supplier of the Year at the 2024 Milk Quality Awards. Representing Aurivo at the National Dairy Council and Kerrygold Quality Milk Awards, the Killeens went on to win the Grassland Management award.

We would also like to commend Kevin Moran from Galway and David Dolan from Mayo for being recognised at the FBD Better Farming Awards and Evan Hunt from Sligo on winning Teagasc Grassland Young Farmer of the Year. These are all great achievements and are testament to the suppliers' approach to excellence in milk production and sustainable dairying.

In September 2024, the Water European Innovation Partnership was opened to farmers in the Aurivo re-

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Arrabawn Fresh Milk sponsors Gort RFC & Monivea Girls' Rugby Team

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gion, meaning applicants can avail of a share of €60m funding available to improve water quality on farms. To date, the average payout to Aurivo farmers has been €7,000.

Throughout 2024 we continued to lobby at national level in relation to the importance of agriculture in our region; we have highlighted the high quality of water in our region and the importance of retaining derogation beyond 2026. We also highlighted the need for a vibrant dairy industry to attract the next generation of milk suppliers.

Consumer Foods

Our Consumer Foods business continued to report year-on-year growth in 2024. The year under review saw the successful integration of the Arrabawn liquid milk and butter van sales business.

Our retail butter sales continued to grow, with a sales increase of 16% in 2024. Returns were challenged due to the all-time high bulk butter prices but retail price increases were achieved to negate the impact.

On the back of the acquisition of Arrabawn's liquid milk and retail butter van sales business in October 2023, our liquid milk sales increased by 15% year-on-year, and we were delighted to report that branded conventional milk sales grew by 39% and our Organic For Us branded milk grew by 52%. Our new product development team also launched Connacht Gold Mór Protein drinks during the summer.

Our Connacht Gold brand achieved many product excellence accolades during the year. Connacht Gold Pure Irish Butter, Connacht Gold Half Fat Butter and Connacht Gold Softer Butter were each awarded a Gold Star at the Great Taste 2024 awards. Connacht Gold Pure Irish Butter also received the Gold award at the 2024 Irish Quality Food and Drinks Awards.

A significant milestone celebrated in July 2024 was the 125th anniversary of milk processing at our liquid milk site in Killygordon, County Donegal. Since the acquisition of the business in 2012, the team in Donegal have helped treble production at Donegal Creameries. Over the past six years, €7.5m has been invested in capital projects at the site, which has been transformational in terms of efficiency and sustainability.

Our sports nutrition business, For Goodness Shakes, recorded a strong performance in 2024. The business introduced a number of new products during the period, most notably, the 50g protein bottle, the 1 litre 60g fridge-door pack and the lactose-free range.

Agribusiness

I am pleased to report that 2024 was another year of strong performance for our Agribusiness unit, despite challenging weather conditions during spring. Through strategic investments, operational efficiencies, and a

Connacht Gold butter brings home three Great Taste awards

commitment to innovation, we continued to deliver value to our members and customers while strengthening our position in the market.

Our feed mill achieved record production levels, with a 13% increase in feed volume, reflecting the success of our €6.2m investment in infrastructure over the past five years. These enhancements have enabled greater efficiency, improved product offerings, and a consistent supply for our farmers. Similarly, our fertiliser business focus has been on more sustainable and precision-based solutions to help farmers optimise soil fertility while minimising environmental impact.

The Homeland retail network delivered a 3% increase in transactions in 2024, a testament to our focus on customer service, product range, and digital transformation. The successful upgrade of our online platform, Homeland.ie, marks a significant step forward in our retail strategy, expanding accessibility, product range and enhancing the overall customer experience.

Our store redevelopment plan continues to deliver on a range of initiatives across the Homeland store network – a major milestone for the year was the commencement of work on our new flagship Homeland retail store in Longford, which opened in March 2025. This significantly larger store will enhance our offering while expanding further into gardening, hardware, and lifestyle categories, ensuring we meet the evolving needs of our customers.

As we continue to modernise and expand our operations, our focus remains on innovation, sustainability, and operational excellence. We are committed to delivering high-quality products, expert services, and long-term value for our members, customers, and stakeholders.

Livestock Marts

Our Marts continued its upward trajectory of recent years. Pricing for cattle and sheep was very strong throughout 2024 and despite a 5% drop in the national suckler herd, the volumes through our marts were up. Throughput at the year-end stood at just over 79,000 cattle and 83,000 sheep, an increase of 5% on cattle and 27% on sheep compared to 2023.

SUSTAINABILITY

Aurivo is ambitious for its future, delivering for all stakeholders and doing so in a sustainable way, with key targets embedded across all aspects of the business, ensuring operational excellence and long-term growth for the co-op into the future.

In 2024, Aurivo made significant strides in reducing emissions, cutting Scope 1 and 2 emissions by 11 percentage points to achieve a 20% reduction from 2018 levels. This progress was mainly driven by increased efficiencies, energy optimisations, investments in heat pump technology and energy efficient plant, and decarbonisation of our fleet. As part of its commitment to reduce its Scope 3 emissions from dairy farms by 25% by 2030, Aurivo has again in 2024 engaged actively with its milk suppliers with an array of initiatives aiming at reducing their carbon footprint, focusing on promoting protected urea, good soil fertility, low emission slurry spreading and improved breeding, while promoting water quality protection and knowledge transfer.

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Aurivo was awarded the top prize in the Green Manufacturer award category at the 2024 Green Awards. The Green Awards recognise companies' contribution and commitment to growing a greener future in Irish business.

In Quarter 1, 2024 we launched Aurivo's 'Future Milk' payment. This incentive will reward milk suppliers with an additional 0.5cpl when they complete certain criteria that reduces their impact on our planet.

COMMUNITY AND PEOPLE

Aurivo is passionate about engaging with and supporting the communities we operate in.

Since commencing our Charity of the Year partnership programme, Aurivo has donated in excess of €620,000 to worthy causes. In 2024, we presented last year's charity partner, the Alzheimer Society of Ireland, with €40,000 and were delighted to announce MS Ireland as our chosen charity partner for 2024/'25. This year we hope to raise €40,000 for the charity which provides integral care and support services to the 10,000 people living with Multiple Sclerosis nationwide. With communities at the heart of Aurivo, we are eager to play our part in assisting MS Ireland to provide the best possible care to their service-users. Aurivo will match our employees' fundraising to ensure that MS Ireland gets maximum benefit.

Ciara Browne, a sixth-year student from Pobalscoil Chloich Cheannfhaola in Falcarragh, County Donegal became the first recipient of a €2,000 award from our Creeslough Student Support Programme, which is committed to supporting one student each year over the next five years. The award is available to members of the Creeslough community who wish to progress to further education or apprenticeship opportunities. We wish Ciara every success.

Aurivo's team of people are our greatest asset. Their skills and commitment ensure the ongoing success of the co-operative. We continue to develop our team and are intent on providing opportunities to maximise their potential in developing a rewarding career aligned to their own development plans.

OUTLOOK

The notable spike in geopolitical uncertainty will no doubt bring challenges in 2025. The threat of tariffs is causing uncertainty to both global trade and the global economy. Notwithstanding the inevitable headwinds that face us, we believe the strategic and financial position of the co-op provides a sound basis for ongoing sustainable growth.

Global dairy supply and demand are reasonably balanced at the moment, which should underpin dairy markets at least for the first half of the year. Assuming normal weather conditions and the absence of animal health issues that are present in other markets, we envisage that our milk supply will show modest growth in 2025.

CONCLUDING REMARKS

Aurivo's progress over the past number of years has been achieved thanks to our committed and dedicated workforce, Board and advisory members.

My thanks to everyone who has supported Aurivo in 2024. The Board and our Regional Advisory Committees play a fundamental role in the successful governance and running of Aurivo. My thanks to Raymond Barlow for his continued stewardship as Chairperson of Aurivo. My thanks to our customers across all facets of our business for their continued support of and loyalty to Aurivo. I thank our milk suppliers and shareholders for their invaluable contribution to the continued success of Aurivo, and also pay regard and my thanks to the entire Aurivo team for their ongoing loyalty, hard work and commitment.

In spite of challenges that exist in our operational environment, our businesses are positioned to deliver an excellent service to our customers. Our continued focus is on sustainable growth for the benefit of our member owners.

Donal Tierney
Chief Executive
19th March 2025

FOCUS 2027

Sustainability • Operational Excellence • Core Business • Customer • Innovation • People

MISSION

Our mission is to enhance the lives of our members, customers, colleagues and the communities in which we operate, in a sustainable way.

How do we achieve our objectives? Living by the Aurivo values:

- TRUST
- TEAM
- WILL TO WIN
- VALUE

As a leading, farmer-owned Irish co-op, we are committed to protecting and enhancing the environment, reducing climate change and supporting the United Nations' Sustainable Development Goals for the benefit of future generations.

At Aurivo, sustainability starts on family farms and runs right through our processes and our value chain, with our people and communities at the heart of everything we do. Our commitment to sustainability is supported by our five pillars:

Our Family Farms: We will continue to work with our family farms to promote viable, well-being centric, safe and sustainable practices that protect and enhance animal welfare, water courses and biodiversity, as well as encourage regenerative agricultural practices, and reduce carbon and greenhouse gas (GHG) emissions.

Our People: We are committed to our people, through the delivery of a workplace that promotes well-being, employee engagement, diversity, equality and inclusion that also supports personal fulfilment and development in a safe and healthy environment.

Our Communities: We are dedicated to playing an active role in our local communities to ensure they remain sustainable for generations to come, through the creation and support of local jobs, the provision of products and services and the enhancement of the social framework.

Aurivo makes a long-term contribution to several UN Sustainable Development Goals, specifically:

SUSTAINABILITY

Our Processes: We are on a journey to reduce climate change through a transition towards lower or zero carbon renewable fuels; the optimisation of our processes and transport network; the investment in new technologies and renewable energy generation; and the decarbonisation of our processes.

Our Supply Chain: We are committed to the responsible and sustainable sourcing of raw materials aligned with the principles of the circular economy. We will increase the use of sustainable ingredients, materials and services; increase the amount of recycled content in our packaging; and reduce food waste.

We also participate in Bord Bia's Origin Green programme and use this as a key mechanism to set and achieve measurable sustainability targets that respect the environment. Our decarbonisation strategy is aligned with Origin Green 'Pathways to Net Zero' guidance. In 2024, Aurivo was awarded the Green Award in the Green Manufacturer category, illustrating our strong commitment to sustainability.

Our Family Farms

Under the umbrella of the Farm Profitability Programme and in conjunction with Teagasc, Signpost and the Agricultural Sustainability Support and Advisory Programme (ASSAP), we continued to support and promote profitability and sustainability on Aurivo milk suppliers' family farms in 2024. We advise our milk suppliers on how to produce milk and farm in a manner that protects and enhances animal welfare, and protects water courses and biodiversity, while reducing carbon footprint.

Aurivo dairy farms focus on animal welfare, traceability, environmental protection, and food safety, and are certified by the Sustainable Dairy Assurance Scheme (SDAS) and the Red Tractor Assurance Scheme in the Republic of Ireland and Northern Ireland respectively. 100% of our milk in ROI is now sourced from SDAS-certified farms and over 91% of our NI milk volume currently certified to the Red Tractor Scheme.

Our dairy farmers' grass-fed system continues to ensure that our premium dairy products are produced from healthy grass-fed herds grazing outdoors for the majority of the year. The international demand for Irish dairy is driven by a reputation of producing a

Aurivo Consumer Foods – Lidl Community Impact Champion 2024

high-quality, natural and sustainable produce. Grass-fed offers a unique selling point on the international market, underpinned by the independently certified 'Grass Fed' standard.

In 2024, as part of our Aurivo Farm Solar initiative with PV-Gen where we encourage our farmers to invest in Solar PV technology on farms, the first system was installed on farm in August with a total of 42 system sold during the year.

During 2024 we also launched our Future Milk programme for our ROI suppliers. We introduced the Future Milk sustainability bonus to incentivise farmers for their efforts in moving towards more sustainable farming methods and adopting farm innovation.

2024 Highlights

- 85% of our milk pool signed up in Year 1 of Future Milk programme
- 357 suppliers carried out water quality training in Year 1 of the Future Milk programme
- Successful roll out of the 4th phase of Aurivo Farm Profitability/Sustainability Programme
- 42 ASSAP visits were carried out in 2024
- 2nd year Farmeye – sustainable farming initiative

Aims for 2025 and beyond

- Continuation of Farm Profitability/Sustainability programmes
- Work with our farmers to reduce their CO_2e/kg FPCM
- Participation in water catchment/water quality enhancement project in conjunction with LAWPRO & Water EIP project
- Continuation of Aurivo Farm Solar programme

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Our People

Over the course of 2024 we finalised our sustainability strategy and launched the document in November 2024. The strategy was created by our sustainability steering group and was endorsed by our Executive Team. The sustainability steering group is a cross functional team with 17 members and led by the sustainability project lead. Members are representative of all the business units in the co-op.

In 2024, we launched our Workplace Wellbeing policy and this has been supported by providing training for more than 35 Workplace Wellbeing Ambassadors throughout the co-op and we also provided Mental Health Awareness training for our people managers, equipping them with the skills needed to assist team members in need.

2024 Highlights

- Launched Sustainability Strategy
- 4% increase in employee engagement score
- Launch of Workplace Wellbeing Policy

Aims for 2025 and beyond

- Continuation of employee health and wellbeing programme
- Continued focus on improvement of employee engagement score

Our Communities

Aurivo has a strong corporate social responsibility (CSR) ethos. Its Charity of the Year programme has generated donations of more than €620,000 to charities since its inception.

In 2024, Aurivo presented a cheque for €40,000 to the Alzheimer Society of Ireland. This money will go towards providing dementia-specific services and supports to communities across Ireland, advocating for those living with dementia, their families, and carers.

In the second half of 2024, Aurivo partnered with Multiple Sclerosis Ireland. MS Ireland provides vital information and support services to those living with Multiple Sclerosis, which is a condition affecting the central nervous system. It also provides advice to family members whose loved ones are living with MS. Over the next number of months, Aurivo and its employees will again work together to reach our fundraising target of €40,000.

As part of our pledge to the All-Ireland Pollinator Programme (AIPP), we supported the Great Yellow Bumblebee project; provided 30,000 trees to the local community; supported planting events in Ballymote and Belmullet; and carried out a beach clean-up in Mullaghmore. During 2024, our Homeland stores launched the 'Bee Green with Homeland' range of products. The range is a collection provides our customers with more sustainable options of plants, feeds and garden accessories.

Aurivo plays an active role in the community and supporting it is an important part of our culture. In 2024, Aurivo supported and provided sponsorship to numerous sporting, environmental and community groups all over the region.

During 2024, Aurivo continued to support its 10,000 members, 1,000 dairy farmers and more than 700 employees in the Northwest, providing meaningful employment and allowing people to work in the communities in which they live.

2024 Highlights

- €40,000 donated to our Charity of the Year
- 120,000 tress planted since inception of '30,000 Trees in 30 Days' initiative
- Providing >700 jobs in the region
- Supporting diverse range of community groups in the region
- Launched 'Bee Green' range across our Homeland stores
- Continued supporter of the All-Ireland Pollinator Plan

Aims for 2025 and beyond

- Support our members, dairy farmers and employees
- Promote use of 'Helping Days' among employees
- Contribute to community initiatives and our Charity of the Year
- Support community sustainability projects

SUSTAINABILITY

Our Process

2024 saw the establishment of water stewardship teams at both our Dairy Ingredients site in Ballaghaderreen and our liquid milk processing site in Killygordon. As a result, a water stewardship charter has been created for each site which identifies opportunities for reduction of water usage.

In terms of carbon reductions projects, there was a pasteurisation and separator upgrade and a compressor replacement in Dairy Ingredients; these projects combined with a full year of running the new evaporator, along with migrating away from the use of with heavy fuel oil, resulted in a 14% reduction in on-site emissions compared to 2023.

During 2024 we continued with the electrification of forklifts in our Homeland stores fleet. Currently, 52% of the forklifts are now electric. The forklift fleet at our Feed Mill was fully electrified and we also carried out ecodrive training with our Mill feed delivery drivers, which resulted in a 4.4% reduction in fuel usage.

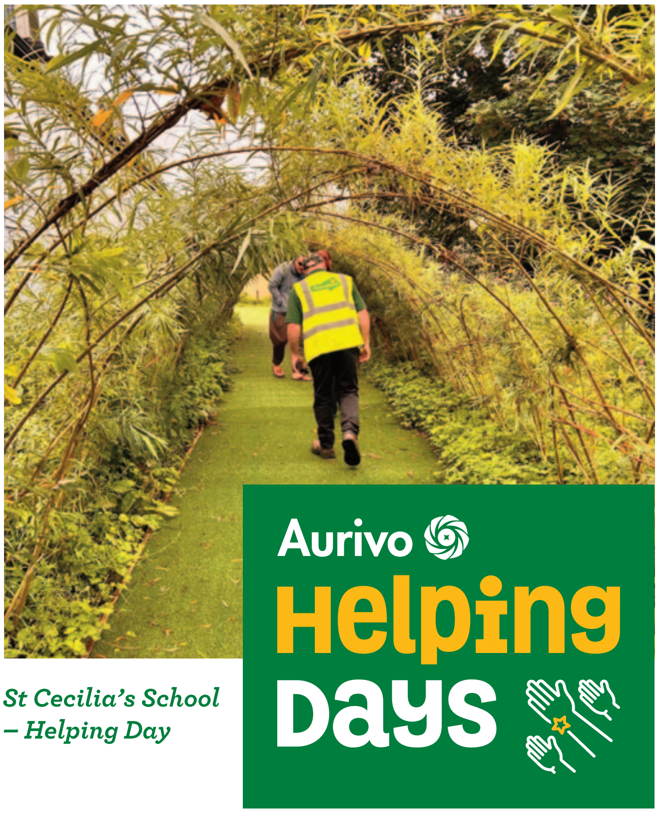
2024 was the first full year in which all our operations were powered by 'green' electricity.

2024 Highlights

- Reduction of on-site emissions by 2,300t CO_2e at Dairy Ingredients compared to 2023
- 52% of Homeland stores forklift fleet electrified
- Water usage in Dairy Ingredients reduced by 12.5% (42,000m^3) compared to 2023
- Forklift fleet at Feed Mill 100% electric
- 100% green electricity
- Origin Green membership

Aims for 2025 and beyond

- Continued focus on Scope 1 & 2 projects and obtain better understanding of value chain (Scope 3)
- Multi-site roll-out of smart metering and monitoring platform
- Focus on Solar PV for our operations
- Continuous improvements to optimise resources usage (electricity, fuels, water), and reduce waste
- New 5-year plan for Origin Green



St Cecilia's School – Helping Day

Our Supply Chain

We are always striving for improvement with and have been working with our retail partners to reduce plastic within our supply chain at our liquid milk processing plant in Killygordon. In 2024, we were able to work with one of our large retail partners to move away from plastic to a carton format, this will result in an annual plastic reduction of over 22 tonnes.

At Aurivo we have committed to install electric vehicle chargers at 15 of our sites in order to facilitate the transition to electric vehicles for our employees and customers. During 2024 we started this installation process.

2024 Highlights

- Transitioned to tethered and non-coloured caps
- Completed double materiality assessment

Aims for 2025 and beyond

- Continue to improve our EV charging infrastructure
- Continue to engage with and work with our suppliers on sustainability matters
- Packaging supplier optimisation project at our Killygordon site
- Packaging reduction trail on finished product bags at our Dairy Ingredients site

OUR PEOPLE

MISSION STATEMENT

Our mission is to enhance the lives of our members, customers, colleagues, and the communities in which we operate, in a sustainable way, and we do this through our values.

OUR PEOPLE, OUR FUTURE

Our people are the driving force behind Aurivo's success, and we are committed to fostering a culture that enables every individual to thrive. We continue to invest in our employees through career development, leadership initiatives and structured learning programmes.

Graduate Leadership Programme: Our flagship Graduate Leadership Programme remains a cornerstone of our talent development strategy. This rotational programme attracts top graduates from diverse disciplines, offering them hands-on experience across our business units in Ireland and London.

Trainee Accountant Programme: We continue to strengthen our financial expertise by developing future accounting talent, ensuring we have the right skills in place for long-term business success.

Alzheimer Society of Ireland Tea Day, Aurivo Consumer Foods, Killygordon

Leadership Development: In 2024, we expanded our investment in people managers, rolling out several leadership development programmes across the group. This initiative is designed to equip our leaders with the skills to drive high performance, engagement and innovation.

Continuous Learning: We nurture a culture of lifelong learning through internal training, mentorship opportunities and access to external development resources.

Employee Engagement: Our annual Aurivo Voice culture and engagement survey remains a key tool in shaping our workplace. In 2024, we saw an increase

OUR VALUES

Aurivo is built upon four fundamental values—Trust, Team, Will to Win, and Value. These principles guide our actions, decisions, and interactions, shaping our culture and driving our long-term success.

TRUST
We are committed to the highest standards of integrity and ethical behaviour, ensuring a sustainable future for our business and stakeholders.

TEAM
We value diversity and collaboration, working as one team with open and honest communication.
We empower our people by fostering a culture of learning, growth, and inclusion.

WILL TO WIN
We strive for excellence and innovation in everything we do, demonstrating resilience and a strong drive to succeed.

VALUE
We exist to create value for our stakeholders. By understanding our consumers and customers, we innovate to meet evolving needs and exceed expectations.

Clockwise from left:
Aurivo Charity of the Year Golf Classic; Creeslough Student Support Programme; Team Aurivo Consumer Foods, Killygordon at Vhi Women's Mini Marathon; Killygordon 5k

in engagement scores for the second consecutive year, reflecting our ongoing commitment to fostering a positive and inclusive work environment.

HEALTH, WELLBEING & INCLUSION

At Aurivo, we believe that a healthy, engaged workforce is key to our success. We are dedicated to supporting the physical, mental, and emotional well-being of our employees through meaningful programmes and initiatives.

Employee Assistance Programme (EAP): In partnership with Vhi, our EAP provides confidential support services for employees and their families, covering mental health, financial, and work-related concerns, including access to counselling sessions.

Mental Health & Wellbeing: In 2024, we launched our Workplace Wellbeing Policy, reinforcing our commitment to a holistic approach to employee wellness. As part of this initiative, we trained over 35 Workplace Wellbeing Ambassadors across the co-op to offer peer support and guidance.

Mental Health Awareness Training: We have equipped our people managers with training to recognise and address mental health challenges, ensuring a supportive workplace culture.

Helping Days Initiative: Encouraging community involvement, our Helping Days programme enables employees to take a day off annually to volunteer for a local cause, be it assisting a neighbour in need or participating in environmental initiatives such as beach clean-ups.

Diversity, Equity & Inclusion (DEI): We are committed to fostering a workplace that embraces diversity, equality, and inclusion. Through structured DEI initiatives, we continue to create an environment where every employee feels valued and empowered.

LOOKING AHEAD

As we look to the future, Aurivo remains dedicated to investing in our people, enhancing leadership capabilities and building an inclusive and dynamic workplace. By prioritising learning, well-being and engagement, we ensure that our employees are equipped to drive innovation and excellence securing sustainable growth for the years ahead.

Board of Directors & Executive Team

BOARD OF DIRECTORS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1. **Raymond Barlow**, Chairperson (BKR)
2. **Cathal Garvey**, Vice-Chairperson (South Mayo/North Galway)
3. **John Comer*** (Castlebar)
4. **Martin Gallagher** (Rathscanlon)
5. **Eoin Godwin*** (Claremorris)
6. **Robert Hosey** (Employees)
7. **Michael Kenny** (Mid-West)
8. **Seamus Killoran** (KMC)


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9. **Austin Lyons** (West Mayo)
10. **James McCarrick** (Achonry)
11. **Lawrence McNamee** (Donegal)
12. **Gerry Mullaney** (Ballymote/Gurteen/Kilmactranny)
13. **Sean O'Donnell** (Killala/Moyvalley)
14. **John Payne*** (Midlands)
15. **Tommy Joe Tuffy*** (Tireragh)
16. **To be elected** (Suck Valley)

The current members of the Board of Directors are listed above and opposite, with the Advisory Committees they represent shown in brackets.

The members whose names are followed 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.

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 and Risk Committee

The Audit and Risk Committee comprises John Payne (Chairperson), Raymond Barlow, Cathal Garvey, Lawrence McNamee, Gerry Mullaney and Sean O'Donnell. 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 and Risk 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, the going concern assumption and compliance with accounting standards.
- ✔ 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.

External Audit

External audit services are provided to the Society by PricewaterhouseCoopers. PricewaterhouseCoopers provides the Audit and Risk Committee with external audit reports on the Society's financial records. The Audit and Risk Committee reviews and monitors the external auditors' independence and performance, and effectiveness of audit process.

Internal Audit

Internal audit is an important function of the Society. The Internal Audit plan is presented to and approved by the Audit and Risk Committee. The results, recommendations and significant findings of Internal Audit are reported to the Audit and Risk Committee. The Audit and Risk Committee review the performance of the internal audit function in terms of adequacy of internal control systems and frequency of audits. The Audit and Risk Committee approved the internal audit plan and reviewed the findings from the 2024 Internal Audit programme. Internal Audit reports directly to the Audit and Risk Committee and CEO, thereby ensuring its independence and objectivity.

Confidential Hotline and Fraud

The Society has a confidential hotline in place. This is operated by an independent third party. It allows employees to report any concerns they may have regarding dishonest, unsafe or unethical behaviour.

All concerns raised through this hotline and the results of any investigation that may take place are reported to the Audit and Risk Committee.

Risk Management and Control

The Society has established a risk management process to ensure effective and timely identification, reporting and management of key risks. This process takes the form of risk registers for each business unit. These are used as a means of assessing, planning and tracking the mitigation of key risks that the Society could be exposed to. The risk registers are reviewed by the Audit and Risk Committee.

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:

- Agribusiness
- Dairy
- Marts
- Remuneration
- Rules/Membership

Other Information

REGISTERED OFFICE:

Aurivo House,
Finisklin Business Park,
Finisklin,
Sligo

BANKERS:

Bank of Ireland
AIB Bank

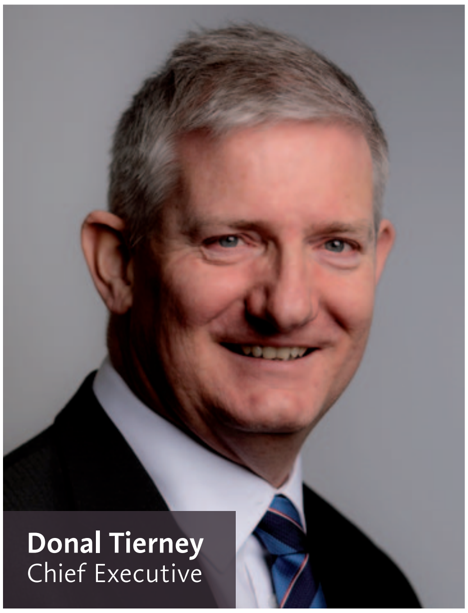
SOLICITORS:

Rochford Gallagher & Co,
Tubbercurry,
County Sligo

AUDITOR:

PricewaterhouseCoopers,
Chartered Accountants and
Statutory Audit Firm,
Cork

EXECUTIVE TEAM



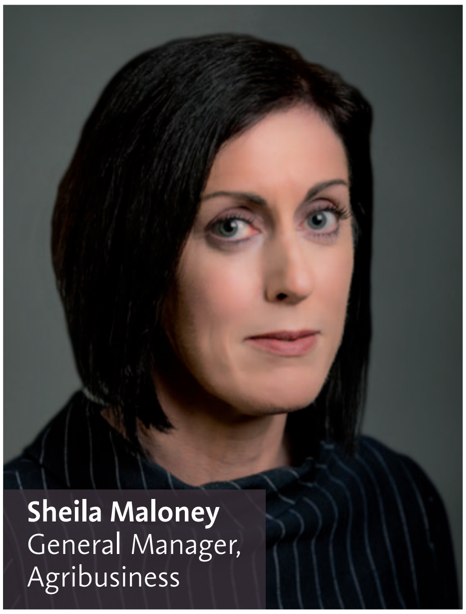
Donal Tierney
Chief Executive

Eithne Niland
Chief Financial Officer

Tomás McHale
General Counsel and Company Secretary

Marilyn Phillips
Group Head of Human Resources

Stephen Blewitt
General Manager, Dairy



Sheila Maloney
General Manager, Agribusiness

Etienne Gerard
Group Head of Operations

Stephen Hannon
General Manager, Marts

Tom Rutter
Managing Director, For Goodness Shakes

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Directors are responsible for preparing the financial statements which give a true and fair view in accordance with Irish law, including the Industrial and Provident Societies Acts, 1893 to 2021, and in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 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 the periods presented. In preparing the 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;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society continue in business.

The Directors are responsible for keeping adequate accounting records that enable them to ensure that the financial statements of the Society are prepared in accordance with the requirements of the Industrial and Provident Societies Acts, 1893 to 2021. They are also responsible 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 Directors are also responsible for preparing the annual report and ensuring that it complies with the requirements of the Industrial and Provident Societies Acts, 1893 to 2021.

In the case of each of the persons who are Directors at the time when the Directors' Responsibilities Statement is approved:

- so far as each Director is aware, there is no relevant audit information of which we are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that we are aware of that information.

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.

Raymond Barlow	**Donal Tierney**
Chairperson	*Chief Executive*

19th March 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AURIVO CO-OPERATIVE SOCIETY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Aurivo Co-operative Society Limited's group financial statements (the "financial statements"):

- give a true and fair view of the group's assets, liabilities and financial position as at 31 December 2024 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law).

We have audited the financial statements, included within the Annual Report, which comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated profit and loss account for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 29, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible 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 Directors are responsible for assessing the group'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 intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the group's members as a body in accordance with section 14 of the Industrial and Provident Societies Act, 1893 to 2021 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Industrial and Provident Societies Act, 1893 to 2021 reporting

As required by section 13(2) of the Industrial and Provident Societies Act, 1893 to 2021 we examined the parent society 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.

Declan Maunsell, for and on behalf of PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, Cork

21st March 2025

Financial Statements

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the financial year ended 31 December 2024

	Notes	2024 €(000)	2023 €(000)
Turnover	2	725,085	638,590
Cost of sales		(580,396)	(516,952)
Gross profit		144,689	121,638
Operating expenses		(128,130)	(117,053)
Other operating income	5	480	484
Group operating profit	3	17,039	5,069
Group's share of profit in associated undertaking	12(i)	379	204
Total operating profit		17,418	5,273
Net fair value (loss)/gain on quoted investments	12(ii)	(17)	52
Income from other financial assets	6	31	48
Net interest payable and similar charges	7	(5,102)	(4,220)
Profit before taxation		12,330	1,153
Taxation on profit	8	(2,681)	(156)
Profit for the financial year		9,649	997
Attributable to:			
Shareholders of the Parent Society	23	9,649	999
Minority interests	24	–	(2)
Profit for the financial year		9,649	997

Raymond Barlow
Chairperson

Donal Tierney
Chief Executive

19th March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Notes	2024 €(000)	2023 €(000)
Profit for the financial year		9,649	997
Other comprehensive income			
Foreign exchange differences on translation of foreign operations	23	946	333
Re-measurement of net defined benefit asset	29	298	309
Deferred taxation on net defined benefit asset	8	(37)	(38)
Effective portion of changes in fair value of cash flow hedges	30	–	(28)
Other comprehensive income for the financial year, net of income tax		1,207	576
Total comprehensive income for the financial year		10,856	1,573
Attributable to:			
Shareholders of the Parent Society	23	10,856	1,575
Minority interests	24	–	(2)
Total comprehensive income for the financial year		10,856	1,573

Raymond Barlow
Chairperson

Donal Tierney
Chief Executive

19th March 2025

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	Notes	2024 €(000)	2023 €(000)
Fixed assets			
Intangible assets	9	28,111	29,460
Tangible assets	10	80,249	79,688
Investment properties	11	1,108	1,278
Financial assets			
Investment in associate	12(i)	741	566
Other investments	12(ii)	2,036	2,307
		112,245	113,299
Current assets			
Stocks	13	38,986	34,907
Debtors	14	60,844	59,151
Retirement benefit asset	29	5,743	4,911
Cash at bank and in hand	15	16,337	12,952
Total current assets		121,910	111,921
Creditors: amounts falling due within one year	16	(91,410)	(90,715)
Net current assets		30,500	21,206
Total assets less current liabilities		142,745	134,505
Creditors: amounts falling due after more than one year	17	(22,664)	(27,874)
Provision for liabilities			
Other provisions for liabilities	19	(7,491)	(4,157)
Capital grants	20	(3,851)	(4,075)
Net assets		108,739	98,399
Capital and reserves			
Called-up share capital presented as equity	21	22,787	22,533
Equity reserve	22	215	191
Capital reserve	22	1,774	1,828
Bonus reserve	22	121	118
Profit and loss account	23	83,842	73,391
Equity attributable to the Parent Society's shareholders		108,739	98,061
Minority interests	24	–	338
Total equity		108,739	98,399

On behalf of the Board

Raymond Barlow
Chairperson

Donal Tierney
Chief Executive

19th March 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Notes	Called-up Share Capital presented as Equity €(000)	Equity Reserve €(000)	Capital Reserve €(000)	Bonus Reserve €(000)	Profit and Loss Account €(000)	Total Share-holders' Equity €(000)	Minority Interests €(000)	Total Equity €(000)
Balance at 1 January 2024		22,533	191	1,828	118	73,391	98,061	338	98,399
Total comprehensive income for the year									
Profit for the financial year		–	–	–	–	9,649	9,649	–	9,649
Other comprehensive income for the financial year		–	–	–	–	1,207	1,207	–	1,207
Total comprehensive income for the financial year		–	–	–	–	10,856	10,856	–	10,856
Transactions with owners, recognised directly in equity									
Share applications	21	21	–	–	–	–	21	–	21
Redemption of shares	21	(236)	–	–	–	–	(236)	–	(236)
Shares issued out of equity reserve	21	309	(309)	–	–	–	–	–	–
Funds received into equity reserve	21	–	333	–	–	–	333	–	333
Cancellation of bonus shares	21	(3)	–	–	3	–	–	–	–
Shares issued in lieu of dividends	21	163	–	–	–	–	163	–	163
Dividends paid	23	–	–	–	–	(459)	(459)	(338)	(797)
Transfer to reserves	23	–	–	(54)	–	54	–	–	–
Transactions with owners, recognised directly in equity		254	24	(54)	3	(405)	(178)	(338)	(516)
Balance at 31 December 2024		22,787	215	1,774	121	83,842	108,739	-	108,739

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Notes	Called-up Share Capital presented as Equity €(000)	Equity Reserve €(000)	Capital Reserve €(000)	Bonus Reserve €(000)	Cash flow Hedging Reserve €(000)	Profit and Loss Account €(000)	Total Share-holders' Equity €(000)	Minority Interests €(000)	Total Equity €(000)
Balance at 1 January 2023		21,766	187	1,859	127	28	72,151	96,118	340	96,458
Total comprehensive income for the year										
Profit/(loss) for the financial year		-	-	-	-	-	999	999	(2)	997
Other comprehensive income/(expense) for the financial year		-	-	-	-	(28)	604	576	-	576
Total comprehensive income/(expense) for the financial year		-	-	-	-	(28)	1,603	1,575	(2)	1,573
Transactions with owners, recognised directly in equity										
Share applications	21	9	-	-	-	-	-	9	-	9
Redemption of shares	21	(158)	-	-	-	-	-	(158)	-	(158)
Shares issued out of equity reserve	21	756	(756)	-	-	-	-	-	-	-
Funds received to equity reserve	21	-	760	-	-	-	-	760	-	760
Issue of bonus shares	21	9	-	-	(9)	-	-	-	-	-
Shares issued in lieu of dividends	21	151	-	-	-	-	-	151	-	151
Dividends	23	-	-	-	-	-	(394)	(394)	-	(394)
Transfer to reserves	23	-	-	(31)	-	-	31	-	-	-
Transactions with owners, recognised directly in equity		767	4	(31)	(9)	-	(363)	368	-	368
Balance at 31 December 2023		22,533	191	1,828	118	-	73,391	98,061	338	98,399

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Notes	2024 €(000)	2023 €(000)
Net cash flow generated from/(used in) operating activities	25	24,150	(6,060)
Cash flows from investing activities:			
Dividends received		235	457
Purchase of tangible fixed assets		(9,776)	(19,259)
Proceeds from disposal of tangible fixed assets	10	56	181
Purchase of intangible assets		–	(7,784)
Proceeds from disposal of investment properties	11	145	–
Net proceeds on loan stock redeemed	12(ii)	254	178
Net cash used in investing activities		(9,086)	(26,227)
Cash flows from financing activities:			
Net proceeds from the issue/(redemption) of share capital		118	611
Proceeds from new borrowings		–	26,000
Repayment of borrowings	26	(11,610)	(5,105)
Grants received	20	217	2,585
Dividends paid by the Society	23(i)	(296)	(243)
Dividends paid to minority interests	24	(338)	–
Net cash (used in)/generated from financing activities		(11,909)	23,848
Net increase/(decrease) in cash and cash equivalents		3,155	(8,439)
Exchange gain on cash and cash equivalents		230	12
Cash and cash equivalents at 1 January		12,952	21,379
Cash and cash equivalents at 31 December	26	16,337	12,952

1. ACCOUNTING POLICIES

Aurivo Co-operative Society Limited (the "Society") is a co-operative society limited by shares and incorporated and domiciled in Ireland. The address of its registered office is Aurivo House, Finisklin Business Park, Finisklin, Sligo, Co. Sligo. The Society is registered in Ireland under the Industrial and Provident Societies Act 1893 to 2021.

These Group financial statements were prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("*FRS 102*") and the Industrial and Provident Societies Act 1893 to 2021.

The Society's functional and presentation currency is Euro. The financial statements have been presented in Euro denominated by the symbol € and rounded to thousands (€'000).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 31.

Certain corresponding amounts have been revised so they are directly comparable with the amounts shown in respect of the current financial year.

(a) *Measurement convention*

The financial statements are prepared on the historical cost basis with the exception of derivative financial instruments, quoted investments and investment properties, which are stated at their fair value.

(b) *Going concern*

After making enquiries and considering the outlook referred to in the Chairperson's Statement, the Chief Executive's Review, and available financing, the Directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future.

The Society's trading performance is affected by global market conditions and commodity prices in the dairy sector. The Society meets its day-to-day working capital requirements through its available cash resources, cash generated from operations and bank facilities (which are subject to covenants). The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within its financing arrangements. Therefore, these financial statements have been prepared on a going concern basis.

(c) *Basis of consolidation*

The consolidated financial statements include the financial statements of the Society and its subsidiary undertakings made up to the reporting date. A subsidiary is an entity that is controlled by the holding undertaking. The results of subsidiary undertakings are included in the consolidated profit and loss account for control ceases. Control is established when the Society included in the consolidated profit and loss account for the date that control commences until the date that control ceases. Control is established when the Society has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Society takes into consideration potential voting rights that are currently exercisable.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investors hold between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercise joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Society's share of the profits and losses of associates and of jointly controlled entities are included in the consolidated profit and loss account and its interest in their net assets is recorded on the consolidated balance sheet using the equity method.

(d) *Foreign currency*

Transactions in foreign currencies are translated to the Society's functional currency at the foreign exchange rate ruling at the date of the transaction.

- Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

- Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Society's presentational currency, Euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation of the net investment in foreign subsidiary undertakings are recognised in other comprehensive income. Translation adjustments on long-term intercompany loans that form part of the Society's net investment in foreign subsidiary undertakings are also recognised in other comprehensive income.

The closing rate used for Euro/GBP at 31 December 2024 was 0.82918 (2023: 0.86905).

The average rate used for Euro/GBP transactions for the financial year ended 31 December 2024 was 0.84662 (2023: 0.86979).

(e) *Classification of financial instruments issued by the Society*

Financial instruments issued by the Society are treated as equity only to the extent that they meet the following two conditions:

(i) They include no contractual obligations upon the Society to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Society; and

(ii) Where the instrument will or may be settled in the Society's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Society's own equity instruments or is a derivative that will be settled by the Society exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

(f) *Basic financial instruments*

- *Trade and other debtors/creditors*

  Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

- *Interest bearing borrowings*

  Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

- *Investments in shares*

  Investments in ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss. Refer further to Note 12(ii).

- *Cash and cash equivalents*

  Cash and cash equivalents comprise cash balances and call deposits. Restricted cash comprises cash held on behalf of members awaiting investment.

(g) *Other financial instruments*

Other financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except that hedging instruments in a designated hedging relationship shall be recognised as set out below.

- *Derivative financial instruments*

  Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The Society routinely enters into sale and purchase transactions for physical delivery of commodities and energy. Where the contract was entered into and continues to be held for the purposes of receipt or delivery in accordance with the entity's expected sale, purchase or usage requirements, the contracts are designated as 'own use' contracts and are treated as executory contracts. These contracts are not re-measured to fair value.

- *Cash flow hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income (OCI). Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss. When a hedging instrument expires or is sold, terminated or exercised, or the Society discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the profit and loss account immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(h) *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets for example land is treated separately from buildings.

The Society assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item or tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land and tangible fixed assets in the course of construction are not depreciated. The estimated useful lives are as follows:

	Years
Buildings	20–30
Plant, Machinery & Equipment	3–15
Motor Vehicles	4–5

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the entity expects to consume an asset's future economic benefits.

- *Assets in the course of construction*

Assets in the course of construction are carried at cost. Depreciation of these assets commences when they are commissioned and available for use.

(i) *Business combinations*

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less

- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

(j) *Intangible assets*

◆ *Goodwill*

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

◆ *Research and development*

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

◆ *Other intangible assets*

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred. Other intangible assets that are acquired by the entity are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

◆ *Amortisation*

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

	Years
Goodwill	20/25
Brands	10/25
Customer relationships and related intangibles	12/20
Computer software	3

The basis for the useful lives of intangible assets is the period of expected benefit attributable to the business combination from which they arose. Goodwill has no residual value.

(k) *Government grants*

The Society has adopted the accrual method of accounting for government grants and included them within accruals and deferred income in the balance sheet and credit them to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

(l) *Investment property*

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment property also includes property that is being constructed or developed for future use as investment property. Investment properties are initially recognised at cost and are subsequently stated at fair value.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Any gain or loss arising from a change in fair value is recognised in the profit and loss account.

(m) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

(n) *Impairment*

◆ *Financial assets (including trade and other debtors)*

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliable. This assessment is made at each reporting date.

An impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. When a subsequent event caused the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

- *Non-financial assets*

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of other assets in the unit (group of units) on a pro rata basis.

- *Reversals of impairment*

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed on intangible assets excluding goodwill only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) *Employee benefits*

- *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

- *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The entity determines the net interest expense (income) on the net defined benefit liability/asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/asset taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of the entity, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability/asset arising from employee service rendered during the period, net interest on net defined benefit liability/asset, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

◆ *Multi-employer plans*

Where there is insufficient information available to the Society to adopt defined benefit accounting, in respect of multi-employer plans in which it participates, the plan is accounted for as a defined contribution plan.

(p) *Provisions*

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligations at the reporting date.

(q) *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 Ornua Co-operative Limited are based on "on Account" prices and can be subject to adjustment when the prices are finally agreed. In preparing the financial statements the directors make estimates based on the best information available in the product categories, which are subject to adjustment. The financial statements reflect known or expected material adjustments to "on Account" prices arising during the period from year end through to the date of approval of the financial statements. 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.

(r) *Leases*

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

◆ *Finance Lease*

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lease. At the commencement of the finance lease term the Society recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the entity's incremental borrowing rate is used. Incremental and directly attributable costs incurred in negotiating and arranging a finance lease are included in the cost of the asset.

Minimum finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the period in which they are incurred. Assets under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

(s) *Interest payable and receivable*

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Foreign currency gains and losses are reported on a net basis.

(t) *Taxation*

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively 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 difference arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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 enact at the balance sheet date.

For investment property, deferred tax is provided at the rate and allowance applicable to the sale of the property.

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 profits.

(u) *Dividend income*

Dividend income is recognised when the right to receive the payment is established. Dividend income is presented as “income from shares in group undertakings” or “income from participating interests” as appropriate in the profit and loss account.

(v) *Rental income*

Rental income is recognised on a straight line basis over the lease term. Revenue from property related services rendered to tenants is recognised in the income statement as the services are provided.

(w) *Share capital*

Equity shares issued are recognised at the proceeds received and presented as share capital and share premium. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(x) *Distributions to equity shareholders*

Dividends and other distributions to the Society’s equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the Society’s shareholders.

2. TURNOVER

Analysis of turnover by geographical market:

	2024 €(000)	2023 €(000)
Ireland	635,146	563,246
United Kingdom	20,536	19,298
Other	69,403	56,046
	725,085	638,590

(i) Sales in Ireland include sales to Ornua Co-operative Limited for export both inside and outside the E.U.

The amount of turnover by business unit is as follows:

	2024 €(000)	2023 €(000)
Consumer Foods	158,339	137,545
Dairy Ingredients	289,586	236,304
Agribusiness	159,850	161,688
Marts	117,310	103,053
	725,085	638,590

3. GROUP OPERATING PROFIT

Included in Group operating profit are the following:

	Notes	2024 €(000)	2023 €(000)
Employment costs	4	42,165	37,064
Depreciation of tangible assets	10	7,682	6,694
Amortisation of intangible assets	9	2,752	2,252
Provision for milk stability fund	19	3,036	-
Operating lease expense	28	1,066	1,324
Loss on disposal of investment property	11	25	-

4. EMPLOYEES AND REMUNERATION

	Notes	2024 €(000)	2023 €(000)
Wages and salaries		36,517	32,404
Social welfare costs		3,774	3,249
Pension costs	29	1,874	1,411
		42,165	37,064

(i) The average number of persons employed by the Society (calculated based on full-time equivalents) during the year was 752 (2023: 696).

5. OTHER OPERATING INCOME

	Notes	2024 €(000)	2023 €(000)
Amortisation of grants	20	441	310
Profit on disposal of tangible assets	10	39	174
		480	484

6. INCOME FROM OTHER FINANCIAL ASSETS

	2024 €(000)	2023 €(000)
Investment income (i)	31	48
	31	48

(i) Investment income relates to dividends from financial investments.

7. NET INTEREST PAYABLE AND SIMILAR CHARGES

	Notes	2024 €(000)	2023 €(000)
Interest payable on amounts owed to credit institutions		5,273	4,377
Net interest income on net defined benefit asset	29	(171)	(157)
Total interest payable and similar charges		5,102	4,220

8. TAXATION

	2024 €(000)	2023 €(000)
(i) *Tax charge included in Profit and Loss Account:*		
Current taxation:		
Corporation tax on income for the financial year	2,525	734
Adjustments in respect of prior year provisions	(13)	(63)
Current tax charge for the financial year	2,512	671
Deferred taxation:		
Origination and reversal of timing differences	169	(515)
Total taxation charge	2,681	156
Analysis of current tax recognised in Profit and Loss Account:		
Irish corporation tax	2,035	366
Foreign corporation tax	477	305
Current tax charge recognised in Profit and Loss Account	2,512	671
(ii) *Tax charge relating to items included in Statement of Other Comprehensive Income:*		
Current taxation:	–	–
Deferred taxation:		
Deferred tax on re-measurement of net defined benefit asset	37	38
Total tax charge relating to items recognised in other comprehensive income	37	38

(iii) *Reconciliation of tax charge*

The tax charge assessed for the financial year is higher (2023: higher) than that calculated by reference to the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2024 of 12.5% (2023: 12.5%). The differences are explained below:

	2024 €(000)	2023 €(000)
Tax charge for year		
Profit before taxation	12,330	1,153
Tax using the Irish corporation tax rate of 12.5%	1,541	144
Effect of tax rates in foreign jurisdictions	61	30
Additional tax on profit liable at other than standard rate	411	32
Adjustments in respect of fixed assets	77	(653)
Expenses and asset impairments not deductible for tax purposes	504	230
Permanent differences and other timing differences	100	436
Adjustments in respect of prior year	(13)	(63)
Total tax charge included in Profit and Loss Account	2,681	156

8. TAXATION (continued)

The provision for deferred tax liability consists of the following deferred tax assets/(liabilities):

	ASSETS		LIABILITIES		NET	
	2024 €(000)	2023 €(000)	2024 €(000)	2023 €(000)	2024 €(000)	2023 €(000)
Accelerated capital allowances	–	–	(1,874)	(1,637)	(1,874)	(1,637)
Intangible assets	–	–	(1,860)	(1,892)	(1,860)	(1,892)
Employee benefits (Note 29)	–	–	(718)	(614)	(718)	(614)
Financial investments	–	–	(496)	(557)	(496)	(557)
Other	493	543	–	–	493	543
Deferred tax assets/(liabilities)	493	543	(4,948)	(4,700)	(4,455)	(4,157)

A summary of the movement in deferred tax is set out at Note 19.

9. INTANGIBLE ASSETS

	GOODWILL	OTHER INTANGIBLE ASSETS			TOTAL
	Goodwill €(000)	Brands €(000)	Customer Relationships & Related Intangible Assets €(000)	Software €(000)	Total €(000)
Cost					
At 1 January 2024	26,028	16,889	7,291	1,918	52,126
Translation adjustment	362	429	23	–	814
Reclassification from tangible assets	–	–	589	–	589
At 31 December 2024	26,390	17,318	7,903	1,918	53,529
Accumulated amortisation					
At 1 January 2024	13,952	5,164	1,632	1,918	22,666
Amortisation for year	1,410	840	502	–	2,752
At 31 December 2024	15,362	6,004	2,134	1,918	25,418
Net Book Value					
At 31 December 2024	11,028	11,314	5,769	–	28,111
At 31 December 2023	12,076	11,725	5,659	–	29,460

(i) Goodwill and other intangible assets are being amortised in line with the accounting policy at Note 1(j). The estimated useful lives of goodwill, brands and customer relationships and related intangible assets are derived by benchmarking the amortisation period to peers engaged in similar activities and the required payback period for the investment.

(ii) The carrying value of the goodwill and other intangible assets related to the My Goodness Limited acquisition was assessed for impairment at 31 December 2024, as the Directors identified impairment indicators arising from changes in certain operational and macroeconomic factors. As a result of this impairment test, the Directors concluded this goodwill and other intangible assets were fully recoverable as at 31 December 2024.

10. TANGIBLE ASSETS

	Land & Buildings €(000)	Plant Machinery & Equipment €(000)	Motor Vehicles €(000)	Construction Work In Progress €(000)	Total €(000)
Cost					
At 1 January 2024	68,973	140,934	3,538	1,049	214,494
Additions	295	4,352	84	4,107	8,838
Reclassification to intangible assets	–	(677)	88	–	(589)
Transfer from construction work in progress	121	768	160	(1,049)	–
Disposals	–	(1,059)	(210)	–	(1,269)
Translation adjustment	10	–	–	1	11
At 31 December 2024	69,399	144,318	3,660	4,108	221,485
Accumulated depreciation					
At 1 January 2024	38,536	92,979	3,291	–	134,806
Charge for year	2,076	5,491	115	–	7,682
Disposals	–	(1,059)	(193)	–	(1,252)
At 31 December 2024	40,612	97,411	3,213	–	141,236
Net Book Value					
At 31 December 2024	28,787	46,907	447	4,108	80,249
At 31 December 2023	30,437	47,955	247	1,049	79,688

(i) Fixed assets are being depreciated in line with accounting policy at Note 1(h).

(ii) The net carrying amount of assets held under finance lease included in plant, machinery and equipment above is €Nil (2023: €Nil).

(iii) During 2024, tangible assets with a carrying value of €17,000 were disposed of, giving rise to a profit on disposal of €39,000 (Note 5). The assets had a cost of €239,000 and accumulated depreciation of €222,000. Included in disposals for the year are retirements of tangible assets which are no longer in use, with a net book value of €Nil (2023: €Nil). These assets had a total cost and related accumulated depreciation of €1,030,000 (2023: €Nil).

11. INVESTMENT PROPERTIES

	2024 €(000)	2023 €(000)
At 1 January	1,278	1,278
Disposal of investment properties (i)	(170)	–
At 31 December	1,108	1,278

(i) During 2024, the Society disposed of an investment property with a carrying value of €170,000 for consideration of €145,000 (net of costs), resulting in a loss on disposal of €25,000.

(ii) The portfolio of investment properties held by the Society was valued as at the financial year end by the Directors. The valuations were carried on the basis of market value. No adjustments to the fair value arose as a result of this exercise (2023: €Nil).

12. FINANCIAL ASSETS

(i) *Investment in Associate*

	2024 €(000)	2023 €(000)
At 1 January	566	771
Share of profit of associate after taxation	379	204
Dividend from associate	(204)	(409)
At 31 December	741	566

The Society owns 27.27% of the equity share capital of County Mayo Radio Ltd, a company incorporated in the Republic of Ireland, whose principal activity is the operation of a radio station. The shares are not publicly traded. During 2024 the Society received a dividend of €204,000 (2023: €409,000) from this company.

(ii) *Other Investments*

	Quoted Investments 2024 €(000)	Unquoted Investments 2024 €(000)	Convertible Loan Stock 2024 €(000)	Total 2024 €(000)	Total 2023 €(000)
At 1 January	1,339	166	802	2,307	2,433
Loan stock redeemed (i)	–	–	(254)	(254)	(178)
Fair value movement (ii)	(17)	–	–	(17)	52
At 31 December	1,322	166	548	2,036	2,307

Quoted investments are held at fair value. The unquoted investments and convertible loan stocks are held at cost. In the opinion of the Directors, the value of the investments is not less than their carrying value as shown above.

(i) Convertible loan stock has been issued by Ornua Co-operative Limited (Ornua) to the Society. During the year €254,000 of loan notes were redeemed (2023: €178,000). The allocation of convertible loan stock is based on the level of trading with Ornua. The loan stock is convertible into cash over a six-year period which starts five years from the date of issue.

(ii) On 31 December 2024, the fair value of the quoted investments had decreased by €17,000 (2023: increase of €52,000) to €1,322,000 (2023: €1,339,000).

13. STOCKS

	2024 €(000)	2023 €(000)
Raw materials	3,383	2,018
Finished goods and goods for resale	32,516	29,633
Expense stock	3,087	3,256
	38,986	34,907

(i) Stock is valued at the lower of cost and net realisable value.

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

14. DEBTORS

	2024 €(000)	2023 €(000)
Trade debtors (i) (ii)	47,169	43,861
Other debtors and prepayments (iii)	11,496	11,791
V.A.T.	2,179	3,499
	60,844	59,151

(i) The Society avails of invoice discounting facilities; all debtors subject to invoice discounting are shown in the consolidated balance sheet at their gross value.

(ii) The Society, through the use of a separate debtor factoring arrangement, has transferred substantially all of the credit risk and derecognised €3,990,000 (2023: €2,777,000) of trade debtors at 31 December 2024.

(iii) Other debtors and prepayments include an amount of €4,373,000 (2023: €4,293,000) in respect of a loan note which falls due after more than one year.

15. CASH AT BANK AND IN HAND

The bank and cash balance of €16,337,000 at 31 December 2024 (2023: €12,952,000) contains no restricted cash (2023: €Nil).

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Notes	2024 €(000)	2023 €(000)
Trade creditors (i)		64,880	58,189
Accruals		18,579	18,611
Other creditors (ii)		–	842
Bank loans (iii)	18	5,210	4,622
Revolver loans (iii)	18	–	6,000
Bank overdrafts (iii)	18	–	988
PAYE/social insurance		1,291	1,122
Corporation tax		1,450	341
		91,410	90,715

(i) Trade creditors include amounts due to certain suppliers who have reserved title to goods supplied. Since the extent to which these creditors are effectively secured at any time depends on a number of conditions, the validity of some of which is not readily determinable, it is not possible to indicate how much of the creditors were effectively secured by reservation of title.

(ii) Other creditors relates to liabilities arising for the milk stability fund (Note 19).

(iii) The maturity of bank loans and overdrafts are analysed in Note 18.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Notes	2024 €(000)	2023 €(000)
Bank loans (i)	18	22,664	27,874
		22,664	27,874

(i) The maturity of bank loans is analysed in Note 18.

18. INTEREST BEARING LOANS AND BORROWINGS

	Notes	2024 €(000)	2023 €(000)
Creditors: amounts falling due within one year			
Secured bank loans	16	5,210	4,622
Revolver loans	16	–	6,000
Bank overdrafts	16	–	988
		5,210	11,610
Creditors: amounts falling due after more than one year			
Secured bank loans	17	22,664	27,874
		22,664	27,874
Total		27,874	39,484

(i) Bank borrowings are secured by a fixed charge over certain fixed assets of the Society and its subsidiaries and a floating charge over all the assets of the Society and its subsidiaries.

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 by instalment:					
Secured bank loans	5,210	5,210	17,454	–	27,874
	5,210	5,210	17,454	–	27,874

(i) Borrowings carry a variable rate of interest which is based on Euribor plus a margin.

19. OTHER PROVISIONS FOR LIABILITIES

	Deferred Taxation Liability €(000)	Milk Stability Fund €(000)	Total €(000)
At 1 January 2024	4,157	–	4,157
Profit and loss account charge	169	3,036	3,205
Other comprehensive income	37	–	37
Translation adjustment	92	–	92
At 31 December 2024	4,455	3,036	7,491

(i) The deferred tax liability is analysed in Note 8.

(iii) The charge of €3,036,000 (2023: €Nil) for the year in relation to the milk stability fund relates to a bonus provided in December 2024 in respect of 2024 milk supplies. It was agreed by the Board of Directors that this payment would be deferred and allocated to a milk stability fund for payment at a future date to lessen adverse milk price movements. Payment will be made no later than 3 years from the date of the provision, being 31 December 2027. Other creditors of €842,000 at the start of the year (included in Creditors: Amounts falling due within one year in Note 16) related to liabilities arising for milk stability funds arising in prior years which was settled during the year.

20. CAPITAL GRANTS

	2024 €(000)	2023 €(000)
At 1 January	4,075	1,800
Received during the year	217	2,585
Amortised during the year	(441)	(310)
At 31 December	3,851	4,075

Grants received by the Society from Enterprise Ireland, Retrofit Energy Ireland Limited, Sustainable Energy Ireland and the Department of Agriculture, Fisheries and Food may be repayable in certain circumstances as outlined in the grant agreements. Grants awarded were capital in nature and there are no outstanding unfulfilled conditions.

21. SHARE CAPITAL

	2024 €(000)	2023 €(000)
At 1 January	22,533	21,766
Share applications	21	9
Shares redeemed	(236)	(158)
Bonus shares (cancelled)/issued	(3)	9
Shares issued out of equity reserve	309	756
Shares issued in lieu of dividend	163	151
At 31 December	22,787	22,533

The Society has 22,787,000 ordinary shares of €1 each in issue (2023: 22,533,000). All ordinary shares are fully paid up.

22. OTHER RESERVES

Other reserves shown on the Society's consolidated statement of changes in equity are as follows:

- *Equity reserve*
  The equity reserve relates to funds received from milk suppliers that are held awaiting conversion into ordinary share capital. At 31 December 2024 amounts totalling €215,000 (2023: €191,000) 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.

- *Capital reserve*
  The capital reserve of €1,774,000 (2023: €1,828,000) is non distributable. The Society transferred €54,000 (2023: €31,000) from capital reserves to the profit and loss account (Note 23).

- *Bonus reserve*
  The transfer from Revenue Reserves to the Bonus Reserve 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.

- *Cash flow hedging reserve*
  The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

23. PROFIT AND LOSS ACCOUNT

	2024 €(000)	2023 €(000)
At 1 January	73,391	72,151
Profit for the financial year	9,649	999
Dividends paid by the Society (i)	(459)	(394)
Other comprehensive income (ii)	1,207	604
Transfer from reserves (iii)	54	31
At 31 December	83,842	73,391

(i) Dividends paid by the Society of €459,000 (2023: €394,000) were comprised of cash dividends of €296,000 (2023: €243,000) and reinvestments in shares of €163,000 (2023: €151,000). Additionally, dividends proposed at 31 December 2024 amounted to €456,000 (2023: €451,000) and in accordance with FRS 102 are not recognised in the financial statements until approved.

(ii) Other comprehensive income primarily includes net foreign exchange gains of €946,000 (2023: €333,000) arising on translation of foreign operations, as outlined in note 1(d).

(iii) The Society transferred €54,000 (2023: €31,000) in 2024 from capital reserves to the profit and loss account (Note 22).

24. MINORITY INTERESTS

The minority interest represents the holding of equity in North Western Livestock Holdings Limited by the minority shareholders. During 2024, the Directors of North Western Livestock Holdings Limited decided to begin proceedings to wind up the company and, in doing so, dividends totalling €338,000 were paid out to its minority shareholders.

	2024 €(000)	2023 €(000)
At 1 January	338	340
Loss for the financial year	–	(2)
Dividends paid to minority interests	(338)	–
At 31 December	–	338

25. NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES

Reconciliation of profit for the year to net cash generated from/(used in) operating activities:

	Notes	2024 €(000)	2023 €(000)
Cash flows from operating activities:			
Profit for the financial year		9,649	997
Adjustments for:			
Depreciation and amortisation		10,434	8,946
Contribution to pension scheme in excess of current service cost		(363)	(749)
Profit on sale of tangible fixed assets	10	(39)	(174)
Loss on sale of investment properties	11	25	–
Amortisation of capital grants	20	(441)	(310)
Change in value of financial assets	12(ii)	17	(52)
Net finance costs	7	5,102	4,220
Income from financial assets	6	(31)	(48)
Share of profits of associate undertakings	12(i)	(379)	(204)
Taxation	8	2,681	156
		26,655	12,782
Increase in trade and other debtors		(1,562)	(1,052)
(Increase)/decrease in stocks		(3,992)	11,747
Increase/(decrease) in trade and other creditors		6,706	(25,198)
Increase in provisions for liabilities		3,036	–
		30,843	(1,721)
Interest paid		(5,273)	(4,377)
Tax (paid)/refunded		(1,420)	38
Net cash flow generated from/(used in) operating activities		24,150	(6,060)

26. CASH AND CASH EQUIVALENTS, AND NET DEBT

	Notes	2024 €(000)	2023 €(000)
Cash and cash equivalents consist of:			
Cash and bank balances	15	16,337	12,952
		16,337	12,952
Borrowings:			
Bank overdrafts	18	–	(988)
Revolver loans	18	–	(6,000)
Secured bank loans	18	(27,874)	(32,496)
Net debt at 31 December		(11,537)	(26,532)

26. CASH AND CASH EQUIVALENTS, AND NET DEBT (continued)

Analysis of net debt:

	At 1 January 2024 €(000)	Cash flow €(000)	Foreign Exchange Movement €(000)	At 31 December 2024 €(000)
Cash and cash equivalents:				
Cash	12,952	3,155	230	16,337
Borrowings:				
Bank overdrafts	(988)	988	–	–
Debt due within one year	(10,622)	5,412	–	(5,210)
Debt due greater than one year	(27,874)	5,210	–	(22,664)
Total	(26,532)	14,765	230	(11,537)

27. 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 2024 amounted to €6,278,000 (2023: €3,718,000) and €1,676,000 (2023: €1,848,000) respectively. The net trading balances outstanding from the Society at 31 December 2024, were €102,000 (2023: owed to the Society €27,000).

Total compensation of Directors and key management personnel in the year amounted to €2,521,000 (2023: €2,347,000). This is broken down as follows:

	2024 €(000)	2023 €(000)
Directors' remuneration	323	296
Senior management team:		
Basic salary	1,532	1,500
Performance-related bonus	397	289
Other benefits	269	262
Total senior management team remuneration	2,198	2,051
Total Directors' and senior management team remuneration	2,521	2,347

Employers' PRSI on directors' and senior management team remuneration was €253,000 (2023: €236,000).

28. COMMITMENTS

(a) At 31 December, the Society had the following capital commitments:

	2024 €(000)	2023 €(000)
Contracted commitments for the acquisition of tangible fixed assets	5,477	4,522
Total	5,477	4,522

(b) The total of future minimum lease payments under non-cancellable operating leases at 31 December are as follows:

	2024 €(000)	2023 €(000)
Amounts due:		
No later than one year	837	779
Later than one year and no more than five years	1,148	1,058
Later than five years	–	–
Total	1,985	1,837

The total amount charged to the Profit and Loss account for 2024 in respect of non-cancellable operating leases was €1,066,000 (2023: €1,324,000).

(c) At the financial year end purchase commitments on forward contract for certain raw materials not yet provided for in the financial statements amounted to €16,700,000 (2023: €8,862,000).

29. RETIREMENT BENEFIT ASSET

(a) ***Defined benefit pension schemes***

The Society operates a number of defined benefit pension schemes for employees with assets held in separately administered funds. The schemes are administered by Unio Financial Services, independent consulting actuaries. Annual contributions to the pension schemes are based on the advice of qualified independent actuaries.

Net pension asset:

	2024 €(000)	2023 €(000)
Defined benefit liability	(38,801)	(40,073)
Plan assets	44,544	44,984
Net pension asset before deferred tax	5,743	4,911
Deferred tax liability (Note 8)	(718)	(614)
Net pension asset	5,025	4,297

29. RETIREMENT BENEFIT ASSET (continued)

Movements in present value of defined benefit liability:

	2024 €(000)	2023 €(000)
At 1 January	40,073	38,470
Net current service cost	421	380
Interest expense	1,278	1,405
Employee contributions	222	235
Change in assumptions	(90)	1,618
Experience loss	48	394
Benefits paid	(3,151)	(2,429)
At 31 December	38,801	40,073

Movements in fair value of plan assets:

	2024 €(000)	2023 €(000)
At 1 January	44,984	42,166
Interest on plan assets	1,449	1,562
Return on plan assets less interest income	256	2,321
Employee contributions	222	235
Employer contributions	784	1,129
Benefits paid	(3,151)	(2,429)
At 31 December	44,544	44,984

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

	2024 €(000)	2023 €(000)
Charged to operating profit:		
Current service cost	421	380
Total	421	380

	2024 €(000)	2023 €(000)
Other finance charge:		
Interest on pension assets	(1,449)	(1,562)
Interest on pension liabilities	1,278	1,405
Net interest income included in finance costs (Note 7)	(171)	(157)

29. RETIREMENT BENEFIT ASSET (continued)

	2024 €(000)	2023 €(000)
The return on plan assets was:		
Interest income	1,449	1,562
Return on plan assets less interest income	256	2,321
Return on plan assets	1,705	3,883

The fair values of the plan assets were as follows:

	2024 €(000)	2023 €(000)
Equities	9,272	10,590
Bonds	34,456	31,010
Property	326	571
Diversified growth fund	490	2,758
Cash	–	55
	44,544	44,984

The last actuarial valuations in respect of these schemes were carried out at 1 January 2024 and subsequently updated to 31 December 2024 for FRS 102 "Retirement Benefits" purposes. The actuarial reports are available for inspection by members of the scheme but not for public inspection. The valuations and related disclosures required under FRS 102 have been calculated by qualified independent actuaries based on these valuations..

The comprehensive actuarial valuation carried out at 1 January 2024 was conducted by Unio Financial Services, independent consulting actuaries. The actuarial method used for the valuation is known as the Projected Unit method. This is consistent with the funding objective. The same method was used in the last valuation. Adjustments to the valuation at that date have been made based on the following assumptions in measuring the defined benefit asset at the end of the financial year:

	2024 %	2023 %
Rate of inflation	1.90	2.20
Rate of increase in salaries	1.90	2.20
Discount rate	3.40	3.30
Expected rate of increase of pensions in payment	0.00	0.00

In valuing the liabilities of the pension schemes at 31 December 2024, mortality assumptions have been made as set out 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: 22.6 years (male), 24.7 years (female)
- Future retiree upon reaching 65: 24.8 years (male), 26.6 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.

29. RETIREMENT BENEFIT ASSET (continued)

(b) ***Defined contribution schemes***

The Society operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was €1,049,000 (2023: €626,000), of which €63,000 (2023: €64,000) was payable at the balance sheet date.

(c) ***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 accounts for the pension scheme as if it were a defined contribution scheme in accordance with FRS 102.

The most recent full actuarial valuation of the Irish Co-operative Societies Pension Scheme was carried out on 1 January 2023. The report is available for inspection by Scheme members but is not available to the public.

The Scheme satisfied the statutory Funding Standard and Funding Standard Reserve requirements at the valuation date. An Actuarial Funding Certificate was prepared with an effective date of 1 January 2023 confirming that the Scheme satisfied the Funding Standard set out in Section 44(1) of the Pensions Act, 1990 at that effective date. A Funding Standard Reserve Certificate was also prepared with an effective date of 1 January 2023 confirming that the Scheme held sufficient additional assets to satisfy the funding Standard Reserve set out in Section 44(2) of the Pensions Act, 1990 at that effective date. In the most recent annual funding update, the Actuary's Statement dated 19 November 2024 confirms that the Actuary is satisfied that the Scheme continued to meet the Funding Standard and the Funding Standard Reserve as at 30 June 2024.

The financial assumptions relating to the return on investment, the rate of increase in pensionable pay or salaries, and price inflation are outlined in the actuarial valuation report.

The total expense relating to this plan in the current year was €404,000 (2023: €405,000), of which €202,000 (2023: €197,000) was payable at the balance sheet date.

30. FINANCIAL INSTRUMENTS

The Society uses foreign exchange contracts which can give rise to derivative assets and liabilities, which are recorded at fair value. The fair value of forward foreign exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

The Society uses cash flow hedges in respect of foreign exchange risks in highly probable forecast transactions. It achieves this by designating its forward exchange contracts as hedging instruments to reduce its exposure to the variability of the Euro equivalent of future cash inflows and outflows denominated in Sterling.

At 31 December 2024, there were no outstanding contracts (2023: no outstanding contracts).

The following movements occurred during the year in respect of the Society's cash flow hedges:

	2024 €(000)	**2023 €(000)**
Change in fair value of the hedging instrument recognised in other comprehensive expense for the period	–	(28)
	–	(28)

The cash flows associated with cash flow hedging instruments are all expected to occur within one year.

The Society has the following financial instruments:

	Notes	**2024 €(000)**	**2023 €(000)**
Financial assets at fair value through profit or loss			
Quoted investments	12	1,322	1,339

31. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Society's main accounting policies affecting its results and financial condition are set out in Note 1 to the financial statements. Judgements and assumptions have been made by management by applying the Society's accounting policies in certain areas. Actual results may differ from estimates calculated using these judgements and assumptions. Key sources of estimation uncertainty and critical accounting judgements are as follows:

Goodwill and other intangible assets

The Society has capitalised goodwill of €11,028,000 (2023: €12,076,000) and other intangible assets of €17,083,000 (2023: €17,384,000) at 31 December 2024 as detailed in Note 9. Goodwill and other intangible assets are required to be reviewed for impairment indicators at least annually or more frequently if there are indicators of a potential impairment. If any such indication exists, then the assets' recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing impairment there is a degree of estimation and uncertainty around future performance and cash flows.

The Society considered whether there have been any indicators of impairment in respect of its goodwill and other intangible assets related to the My Goodness Limited acquisition, in line with the accounting policies. As noted further in Note 9, having determined that indicators of impairment existed at the balance sheet date, the group used a discounted cash flow model to test for impairment. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The discount rate applied to cash flows was determined with regard to the risks associated with the cash flows being considered. The modelled cash flows take into account the Society's established history of earnings, cash flow generation and the nature of the markets in which we operate. The key assumptions employed in modelling estimates of future cash flows are subjective and include the selection of appropriate discount rates, growth rates and operating profit assumptions. The terminal value included in the model assumed long-term growth based on a combination of factors including long-term inflation in addition to industry and market specific factors.

Retirement Benefit Asset

The Society operates a number of defined benefit retirement plans which are set out in Note 29. The Society's net pension asset in respect of defined benefit plans is calculated by independent, qualified actuaries and updated at least annually and totals €5,743,000 at 31 December 2024 (2023: €4,911,000).

The size of the net pension asset/liability is sensitive to actuarial assumptions. The key assumptions are the discount rate, the rate of inflation, life expectancy, pension benefits and rate of salary increases. Plan assets are also sensitive to asset returns and the level of contributions made by the Society.

Impairment of Debtors

The Directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the Directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. The debtors balance stated net of provisions at year-end is set out in Note 14.

Impairment of Stocks

The Society sells dairy, agribusiness and consumer foods products and is subject to changing demands due to changes in trends. As a result it is necessary to consider the recoverability of the carrying amount of stock at the end of each financial year. When calculating any stock impairment, the Directors consider the current estimated selling prices, nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. The stock balance stated net of provisions at year-end is set out in Note 13.

Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 10 for the carrying amount of the tangible fixed assets, and Note 1(h) for the useful economic lives for each class of tangible fixed assets.

31. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Useful economic lives of intangible assets

The annual amortisation charge for intangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, and economic utilisation of the assets. See Note 9 for carrying value of intangible assets and Note 1(j) for the useful economic lives for each class of assets.

32. SUBSIDIARIES AND ASSOCIATE UNDERTAKINGS

Subsidiaries – Republic of Ireland	**% Holding**	**Activity**
Aurivo Consumer Foods Ltd	100%	Manufacture of Dairy Products
Aurivo Dairy Ingredients Ltd	100%	Manufacture of Dairy Products
North Western Livestock Holdings Ltd	70.91%	Holding Company
Glanóir Energy Ltd	100%	Biomass Energy
Moy Valley Seed Potato Company Ltd	100%	Non-trading
Palmar Ltd	100%	Non-trading

Subsidiaries – United Kingdom	**% Holding**	**Activity**
Aurivo (NI) Ltd	100%	Milk Trading and Retail
My Goodness Ltd	100%	Sports Nutrition

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

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

All of the subsidiaries incorporated under the Companies Acts 2014 in the Republic of Ireland with the exception of Glanóir Energy Ltd have availed of the exemption available under Section 357 of the Companies Act 2014 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.

33. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There are no significant events subsequent to the Balance Sheet date which require disclosure within the financial statements.

34. APPROVAL OF BOARD OF DIRECTORS

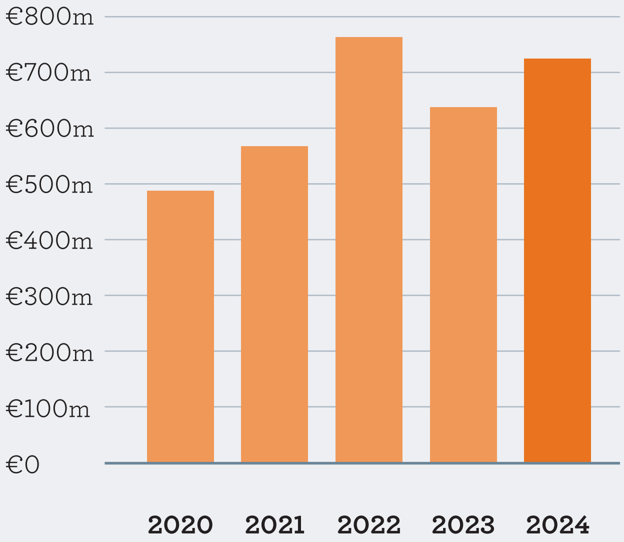
The financial statements were approved and authorised for issue by the Board of Directors on 19 March 2025 and were signed on its behalf on that date.

FIVE-YEAR HISTORICAL FINANCIAL INFORMATION

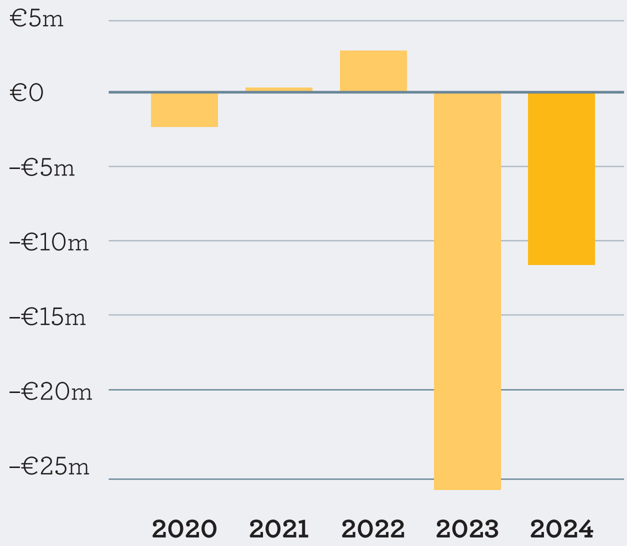
(Supplementary information not covered by the Independent Auditors' Report)

	2024 €(000)	2023 €(000)	2022 €(000)	2021 €(000)	2020 €(000)
Turnover	725,085	638,590	764,220	570,290	488,703
EBITDA	27,253	13,988	24,868	19,417	15,143
EBIT	17,039	5,069	17,848	12,642	8,510
EBIT as percentage of turnover	2.3%	0.8%	2.3%	2.2%	1.7%
Capital expenditure	8,838	17,848	19,866	7,077	4,749
Net (debt)/cash	(11,537)	(26,532)	2,840	363	(2,197)
Shareholders' funds	108,739	98,061	96,118	81,120	66,844
Debt/EBITDA times	0.4	1.9	–	–	0.2

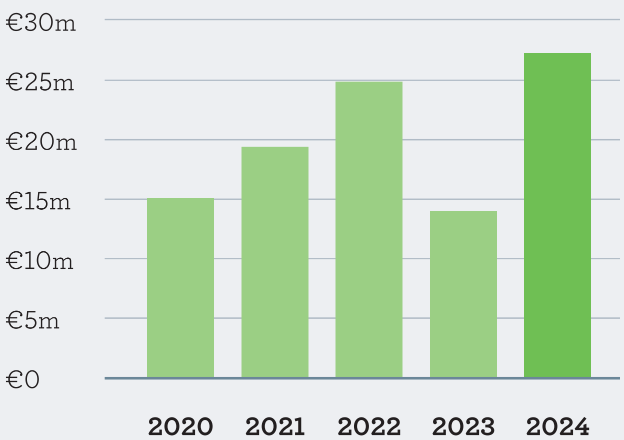
TURNOVER (2020–2024)



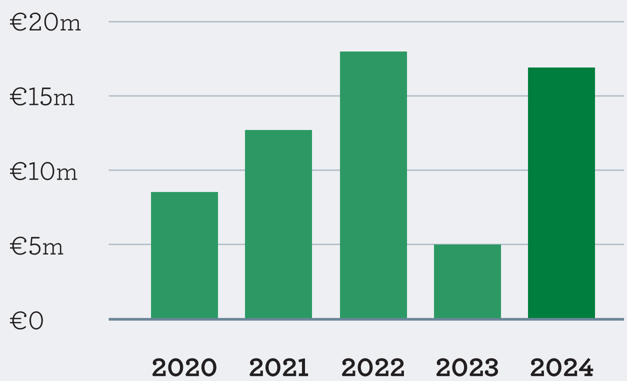
NET (DEBT)/CASH (2020–2024)



EBITDA (2020–2024)



EBIT (2020–2024)




Arrabawn
LIGHT
milk
1% FAT
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cultured
BUTTERMILK
Arrabawn
SKIM Plus
milk
Arrabawn
Dawn
Fresh
Milk
Dawn
Light
Milk
CONNACHT
GOLD
LIGHT
MILK
SINCE 1897
CONNACHT
GOLD
BUTTER
MILK
SINCE 1897
CONNACHT
GOLD
SOFTER BUTTER
Arrabawn
original Irish
BUTTER
454g
SINCE 1897
CONNACHT
GOLD
PURE IRISH BUTTER
454g

You can find more information about Aurivo online at:

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