



Kerry Co-op.

KERRY CO-OPERATIVE
CREAMERIES LIMITED



ANNUAL REPORT 2022







Chairman's Statement

Denis Carroll
Chairman



I am pleased to report on the performance of the Society's business for 2022 and on behalf of the Board of Kerry Co-Operative Creameries Ltd, to present the Annual Report and Financial Statements of the Society for the year ended 31st December 2022.

Kerry Group plc Results

Kerry Co-Op is the largest shareholder of Kerry Group plc. Kerry's revenue for the year ended 31st December 2022, was €8.3 billion, an increase of 5.5% compared to the previous year.

The company's trading profit was €1.3 billion, a 6.3% increase compared to the previous year. Kerry's Taste & Nutrition division had a revenue growth of 4.6%. It's Consumer Foods division had a revenue growth of 10.4%. Kerry Co-Op received dividend income of €20m from Kerry Group plc and share interest of €4.00 was paid on 8th July 2022.

We recognise the ongoing successful performance of Kerry Group plc which has brought great prosperity to our Society and shareholders. Having grown from its Co-Op roots into one of the leading food businesses in the world, we are proud of our shared heritage.

Patronage Shares

2022 saw the successful resolution of the long running issue of the tax status of patronage shares with the decision by the Revenue Commissioner not to appeal the High Court ruling around the taxation of patronage shares.

In 2016, Revenue notified over 400 Kerry Co-Op shareholders of a possible tax liability on patronage shares issued to them in the years 2011-2013. At the time, Revenue concluded that the shares were regarded as trading income and subject to income tax, USC and PRSI.

Kerry Co-Op successfully contested this on behalf of its 3,500 milk suppliers to the Tax Appeals Commission with the High Court ruling in the Co-Op's favour in 2020. It finally closed a long and arduous chapter relating to the correct and appropriate tax treatment of patronage shares.

Forward Strategy

2023 marks the fiftieth anniversary of the formation of Kerry Co-Op. The Society's predecessor North Kerry Milk Products was formed in Listowel on 1st January 1973. Thirteen years later, in 1986, Kerry Co-Op became the launch platform for the highly successful Kerry Group plc.

We recognise the foresight and ambition of those founding members, our forefathers, and all those who contributed to the success of the business in the intervening years. We also acknowledge all those who have supported the Society, they all played a role in building the value which the Society holds today. Fifty years on we are now at another important juncture in the history of Kerry Co-Op. As a Board, we want to ensure that the plans developed in the current year will position the Society and its shareholders to continue to prosper for the future.

The dairy industry has been at the core of our establishment and our continued success. There is much to consider as the industry changes over the next few years, in terms of global markets, processing capabilities and investment requirements, our dairy contracts with Kerry Group Plc, and the challenges of climate change and sustainable dairying, among others. Like the rest of the dairy sector in Ireland we need to maintain and strengthen our core business for the benefit of all our stakeholders. As a Board, it is incumbent upon us to devise a future strategy that will help us to achieve that objective.

We recognise that many of our shareholders are no longer farming, and we have sought to recognise their interests through our successful share redemption scheme which recognises the significant value that their shareholding has established in the Society.

Together with the support of our Members the Board will work to develop a sustainable future direction for the Society. However, we fully acknowledge that some shareholders may be cautious in consideration of any change, so we are clear that potential for changes that might be considered, must stand to the benefit of all shareholders.

Any fundamental decisions on future direction will be put to eligible shareholders in due course for their consideration and approval. No binding decisions will be made without shareholder support, and in this regard the Board sought the assistance of the Irish Co-Operative Society (ICOS) to devise a legally appropriate resolution that will in effect limit the Board's ability to spend shareholders' funds within Kerry Co-op. The resolution has been developed to address legitimate concerns expressed by numerous shareholders. It will ensure that any spend in a five-year rolling period that might exceed €50 million will have to be put to shareholders for approval. This resolution will be voted on at a Special General Meeting which will immediately follow our Annual General Meeting on 5 July next.

Throughout April and May we have engaged with our Advisory Committees on the subject, across all nine electoral areas. The discussions at those meetings were productive and positive, and I believe that the need for the SGM resolution is clearly understood.

At those meetings we introduced Jim Woulfe, who was appointed as an independent external advisor to the Board at the beginning of April. Jim has extensive dairy and agri-business management and CEO experience and is respected across the Irish agricultural and Co-Operative landscape. Jim's role as an advisor will see him help us to have a strong look at the structure of the Co-Op with respect to its future ambitions and he will assist us from experienced and external perspectives in developing our future strategy. We are pleased to welcome Jim to Kerry Co-Op as a challenging and pragmatic advisor and the Board looks forward to working with him.

We have a great deal of work to do in the coming months in developing our business strategy for

the future based on our capabilities and business potential. This will also involve taking account of many external inputs into the strategy considerations process, including advisory, operational, financial, legal and others, to be taken account of before we can fully define and set out our proposals. I expect that we will be in a position towards mid to late autumn to outline our future strategy plans to our advisory committees and membership and to proceed from there to putting forward our proposals in due course for shareholder consideration. Ultimately, we wish to ensure that future strategy will fairly benefit all our shareholding members.

Governance

Board of Directors

The Board is responsible for ensuring the prosperity of the Co-Op through directing the organisations' affairs taking account of the key interests of its shareholders and significant stakeholders. At the end of 2022, there were a total of 19 Directors representing nine Advisory Areas. The Board has 4 sub-committees with specific tasks, notably Leading Milk Price, Audit, Remuneration and Strategy.

Leading Milk Price Committee

The leading milk price committee was established to monitor the operation of the milk price contract and to ensure that the price paid by Kerry Creameries Ltd for raw milk up to the guaranteed volume in any year is the leading milk price on a like-for-like basis. This price is reviewed on an ongoing basis by the committee who report to the Board of the Society. In the milk contract Kerry Creameries Ltd acknowledges the legitimate interest of the Society in matters pertaining to its members' raw milk and the pricing thereof. Without prejudice to the Milk Supplier's right to self-representation Kerry agrees that it will duly consult with the Society in relation to the implementation of the Contract in respect of the Society's members.

The Audit Committee

The primary purpose of the audit committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with law and regulations. The committee reviews the results of an audit with management and external auditors, including matters required to be communicated to the committee under generally accepted auditing standards. Controls over financial reporting, information technology security and operational matters fall under the purview of the committee.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on Remuneration levels for Members.

Strategy Committee

The strategy committee assists the board with strategy formulation through examining and bringing focus to defined tasks at the request of the board.

Board Changes

I was honoured to be re-elected as Chairman of Kerry Co-Operative Creameries Ltd in December 2022. It has been a privilege to represent all shareholders of Kerry Co-Op and I am pleased to continue in this role for another year.

I would like to thank Mundy Hayes, John G Fitzmaurice, Patrick Rohan, Fiachra Liston, Victor Gardiner and John Casey who retired from the board in 2022, for their individual contributions and service provided to the board during their terms of office. I would also like to welcome Patrick O'Neill, Joe Collins, Pat Keane, John Lawlor, and Martin Moloney to the Board following their election in December.

Share Interest

The Board recommends the payment of share interest of €4.50 per share on all shares held at the 23rd June 2023. Subject to the approval at the Annual General Meeting this share interest will be paid to shareholders on the 21st of July 2023.

Board, Members, Admin and Stakeholders

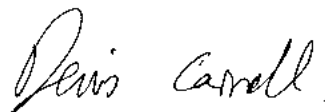
I would like to take this opportunity to thank my colleague board members, and our advisory

committees and members for their collaboration and support for the Kerry Co-Op business throughout 2022. With Covid now hopefully behind us it was great to engage with all in real and personal terms once again. I would like to take this opportunity to express my thanks to the other members of staff, shareholders, stakeholders, and our advisors for their hard work and support for the business throughout the year.

Thomas Hunter McGowan stepped down from his position as CEO in December 2022. Thomas joined Kerry Co-op in 2017 as company secretary and took on the role of chief executive officer in 2019. During his time, he oversaw the establishment of an independent administration function for Kerry Co-Op.

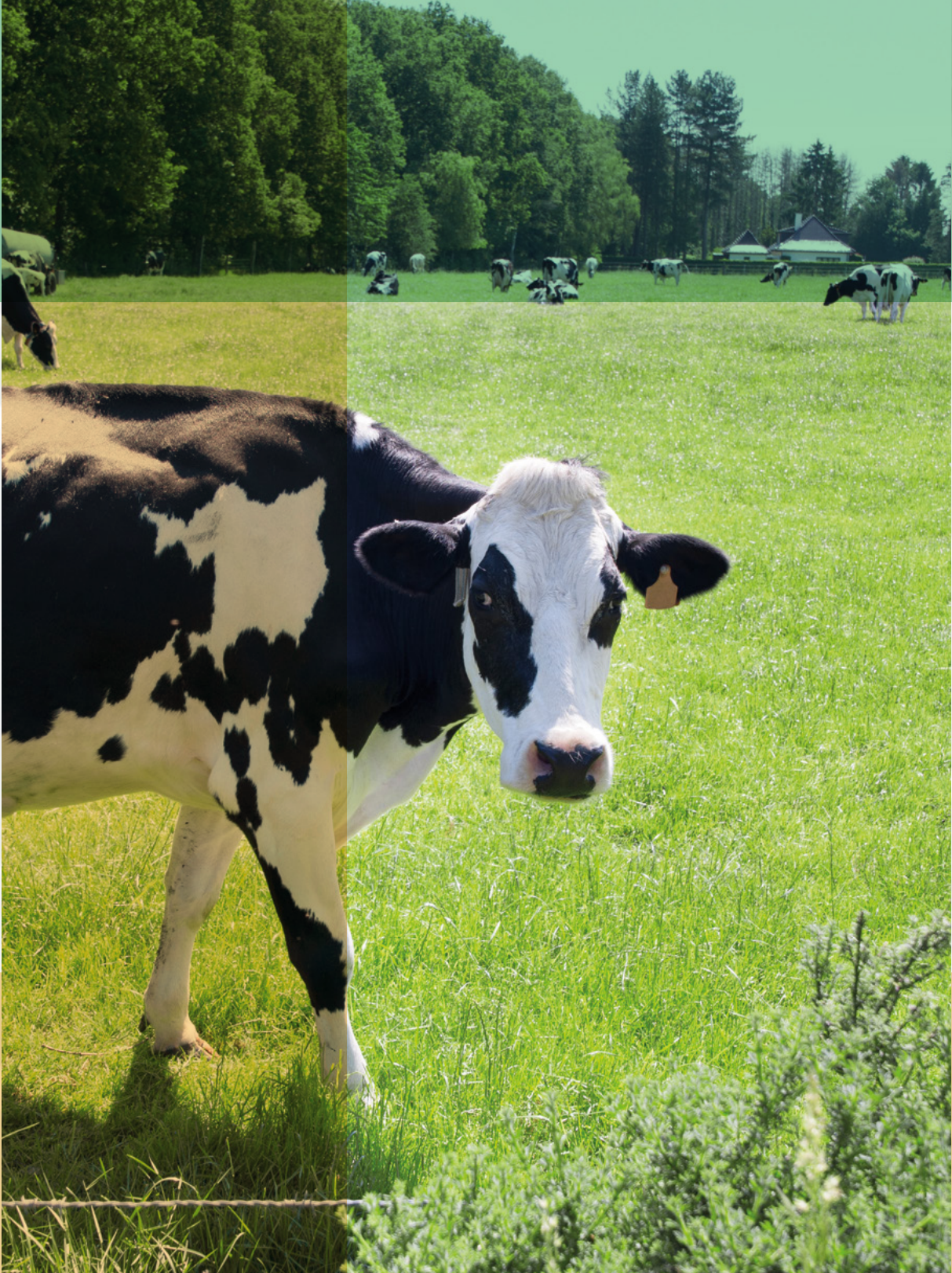
In January 2023 the Board appointed Lorraine Mulvihill as Acting Company Secretary. On behalf of the Board, I wish her well in her new role and I look forward to working with her, as we develop Kerry Co-Op's strategic plans for the future.

Finally, I look forward to continuing to work with the Board, our external advisors and support as we continue to evaluate and design the options for a future structure for Kerry Co-Op.



Denis Carroll
Chairman

29th May 2023



Meetings 2022

Members	Meetings 2022	Attended
Denis Carroll	15	15
Conor Creedon	15	15
Seamus Crawford	15	15
Denis Donovan	15	15
Martin Griffin	15	15
Patrick Hanafin	15	15
Eoghan McCarthy	15	15
Jim McInerney	15	15
John C O'Connor	15	15
Patrick O'Donoghue	15	15
James O'Keeffe	15	15
John O'Sullivan	15	15
James Tangney	15	15
Shane Wall	15	15
John Casey *	14	14
John G Fitzmaurice *	14	14
Victor Gardiner *	14	14
Mundy Hayes *	14	14
Fiachra Liston *	14	14
Patrick Rohan **	14	14
Joe Collins ***	2	2
Pat Keane ***	2	2
John Lawlor ***	2	2
Martin Moloney ***	2	2
Patrick O'Neill ***	2	2

* Retired after completing 5-year term

** Retired and not replaced reducing the board numbers by 1

*** Appointed to the Board in December 2022

Strategy Committee

Members	Meeting 2022	Attended
John Casey	3	3
Eoghan McCarthy	3	3
James O'Keeffe	3	3
Denis Donovan	3	3
Denis Carroll	3	3
Conor Creedon	3	3
Martin Griffin	3	3
Jim McInerney	3	3
Seamus Crawford	3	3
Victor Gardiner	3	3

Audit Committee

Members	Meeting 2022	Attended
Martin Griffin	6	6
Fiachra Liston	6	6
John O Sullivan	6	6
John O' Connor	6	6
Conor Creedon	6	4
Denis Carroll	6	6

Leading Milk Price Committee

Members	Meetings 2022	Attended
James Tangney	10	10
Victor Gardiner	10	10
Pat O'Donoghue	10	10
Shane Wall	10	10
Patrick Hanafin	10	9
Conor Creedon	10	10
Denis Carroll	10	9

Remuneration Committee

Members	Meeting 2022	Attended
Seamus Crawford	1	1
Mundy Hayes	1	1
Patrick Rohan	1	1
John Fitzmaurice	1	1
Conor Creedon	1	1
Denis Carroll	1	1



Secretary's Report

Lorraine Mulvihill
Acting Company Secretary



I am pleased to have taken on the role of Acting Company Secretary in January 2023. I look forward to supporting the Board as it focuses on continuing the work in designing an appropriate strategy to serve the Society and all its shareholders, to best possible effect for the future.

I set out below the information pertaining to the outcomes of the 2022 Share Redemption Scheme, the upcoming AGM and SGM scheduled for 5th July next, and the 2022 Kerry Co-Op Advisory Committee and Board elections.

While you will be getting the formal AGM and SGM NOTICES by post, it is noted that having taken full account of ICOS and legal advice the Resolution text noted below is deemed appropriate to protect shareholder interest in relation to shareholder values in the business. The text of the Resolution for the SGM will read as follows.

SGM Resolution

That the following be added to the end of existing rule 4(i):

“The Society may proceed to invest in (whether by way of subscription or acquisition in the shares or other securities of) any entities or concerns in accordance with this Rule 4(i) on condition that no investment in (whether by way of subscription or acquisition in the shares or other securities of) any entities or concerns would cause the aggregate sum invested by the Society to exceed €50 million in any five year rolling period with the earliest calculation of any such five year period commencing on 5th July 2023. Where a particular investment would have the effect of causing the aggregated sum invested by the Society to exceed the limits prescribed in this Rule 4(i) such investment must first be approved by the Society obtaining approval by way of an ordinary resolution passed by shareholders present and entitled to vote and voting at a Special General Meeting for which notice specifying the intention to propose such a resolution has been duly given according to the Rules.”

From ICOS and legal advice it is noted that it is deemed inadvisable to prescribe a fixed determination or valuation ratio terms to the future sale price of a Co-Op share. The Board is confident that the advised resolution to be put to the SGM on 5th July next, will best address the future fair value concern by limiting the Co-Op's spend over a five-year rolling timeframe. This will protect ongoing shareholder value in the business for all shareholders, who from time to time, might in the future wish to encash or partly encash their Co-Op shares.

Share Redemption Scheme

In 2022 we completed two rounds of the share redemption scheme, Number 7 in June and Number 8 in October. The price achieved in the June scheme was €544.00 per Co-Op share while the price achieved in October was €544.50. There has also been a movement in the grey market price where the average for the year was €514.

Share Redemption Scheme 2022	June	October	Total
Total number of applications	770	376	1146
Partial A	137	75	212
Full A	5	5	10
Partial B	232	99	331
Full B	34	19	56
Partial C	257	124	381
Full C	105	54	159
Total Partial	626	298	924
Total Full	144	78	222

Advisory Committee Elections

Ardkreem Advisory Area

Sub Electoral Area 11: Maurice Harty and Kenneth Lawlor retired by rotation and were eligible for re-election without nomination and both returned unopposed.

Sub Electoral Area 12: John Rohan Jnr retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed.

Feale Advisory Area

Sub Electoral Area 20: John Fitzmaurice and Patrick Keane retired by rotation and were eligible for re-election without nomination and both returned unopposed.

Sub electoral Area 24: John O'Connor and Tom Galvin retired by rotation and were eligible for re-election without nomination and both returned unopposed.

Dicksgrove Advisory Area

Sub Electoral Area 33: TJ Murphy and Cornelius O'Mahony retired by rotation and were eligible for re-election without nomination and both returned unopposed.

Iveragh Advisory Area

Sub Electoral Area 43: Denis Carroll retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed. Patrick Browne retired by rotation and was eligible for re-election without nomination, instead he withdrew and did not seek re-election. The seat was contested by Donal Spring and Michael O'Sullivan. After a full ballot, Donal Spring was returned.

West Kerry Advisory Area

Sub Electoral Area 60: Michael Kelliher retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed.

Sub Electoral Area 62: Denis Galvin retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed.

Board Elections

The position of Chairman was uncontested, and Denis Carroll was deemed re-elected for another term. The position of Vice-Chairman was uncontested, and Conor Creedon was deemed re-elected for another term.

In the Ardkreem Advisory area Mundy Hayes retired by rotation from the Board of Kerry Co-op. The seat was contested by John Lawlor and Billy Dee. A full Ballot took place and John Lawlor was returned.

In the Feale Advisory area John G Fitzmaurice retired by rotation from the Board of Kerry Co-op. The Seat was contested by Patrick Keane, David Diggin and Noel O'Connor. A full ballot took place and Patrick Keane was returned.

In the East Limerick Advisory area Fiachra Liston retired by rotation from the Board of Kerry Co-op. The seat was contested by Fergus McCarthy and Marin Moloney. A full ballot took place and Martin Moloney was returned.

In the West Limerick Advisory area Victor Gardiner retired by rotation from the Board of Kerry Co-op. The seat was contested by Victor Gardiner & Edward (Joe) Collins. A full ballot took place and Joe Collins was returned.

In the Clare Advisory area John Casey retired from the Board of Kerry Co-op and was eligible for re-election without nomination. He did not seek re-election. Patrick O'Neill was elected for this seat uncontested.



Lorraine Mulvihill
Acting Company Secretary

29th May 2023

Board of Directors



D. Carroll,
Chairman
Iveragh



C. Creedon,
Vice Chairman
East Kerry



J. Lawlor
Ardkreem



J. O'Sullivan
Ardkreem



P. O'Neill
Clare



J. McInerney
Clare



P. O'Donoghue
Clare



J. O'Connor
Dicks Grove



M. Griffin
Dicks Grove



S. Crawford
East Limerick



M. Moloney
East Limerick



J. Tangney
East Limerick



P. Keane
Feale



S. Wall
Feale



E. McCarthy
Iveragh



P. Hanafin
West Kerry



D. Donovan
West Limerick



J. Collins
West Limerick



J. O'Keeffe
West Limerick

KERRY CO-OPERATIVE CREAMERIES LIMITED
DIRECTORS AND OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

DIRECTORS

D. Carroll, Chairman

C. Creedon, Vice Chairman

J. Lawlor

J. O'Sullivan

P. O'Neill

J. McNerney

P. O'Donoghue

J. O'Connor

M. Griffin

S. Crawford

M. Moloney

J. Tangney

P. Keane

S. Wall

E. McCarthy

P. Hanafin

D. Donovan

J. Collins

J. O'Keeffe

AUDITORS

Deloitte Ireland LLP

Deloitte & Touche House

Chartered Accountants
and Statutory Audit Firm

Charlotte Quay

Limerick

REGISTERED HEAD OFFICE

Prince's Street

Tralee

Co. Kerry

BANKERS

Allied Irish Banks plc

1 Lower Baggot St

Dublin 2



KERRY CO-OPERATIVE CREAMERIES LIMITED
STATEMENT OF BOARD RESPONSIBILITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The board are responsible for preparing the financial statements in accordance with applicable Irish law including the Industrial and Provident and Societies Acts, 1893.

Irish law requires the board to prepare financial statements for each financial year. Under the law, the board have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("relevant financial reporting framework"). Under the law, the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the society as at the financial year end date and of the profit or loss of the society for the financial year.

In preparing those financial statements, the board are required to:

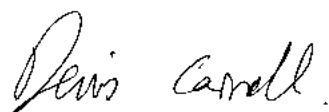
- select suitable accounting policies for the Society Financial Statements and then apply them consistently. make judgements and estimates that are reasonable and prudent.
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The board are responsible for ensuring that the society keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the society, enable at any time the assets, liabilities, financial position and profit or loss of the society to be determined with reasonable accuracy, enable them to ensure that the financial statements and chairman's statement comply with Irish law and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The board confirm that they have complied with the above requirements in preparing the financial statements.

Signed for and on behalf of the Board.



Denis Carroll
Chairman
2 June 2023



Martin Griffin
Chairman of Audit Committee
2 June 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF KERRY CO-OPERATIVE CREAMERIES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion on the financial statements of Kerry Co-Operative Creameries Limited (the 'society')

In our opinion the society financial statements:

- give a true and fair view of the assets, liabilities and financial position of the society as at 31 December 2022 and of the profit for the year then ended; and
- have been properly prepared in accordance with the applicable financial reporting framework

The financial statements we have audited comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 17, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the applicable financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Responsibilities of the Board

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

In preparing the financial statements, the Board are responsible for assessing the society 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 Board either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:

<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>.

This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are Required to Report by the Industrial and Provident Societies Acts 1893-2018

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

Use of our report

This report is made solely to the society's members, as a body, in accordance with Section 13 of the Industrial and Provident Societies Act 1893. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cathal Treacy

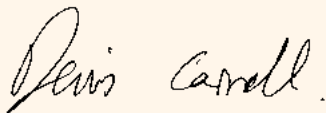
*For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Charlotte Quay, Limerick*

Date: 2 June 2023

KERRY CO-OPERATIVE CREAMERIES LIMITED
INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 €m	2021 €m
Turnover		20.1	18.8
Loss on Realised Investment		(9.3)	(4.0)
		10.8	14.8
Operating expenses	4	(2.6)	(4.0)
Profit before taxation		8.2	10.8
Taxation	5		
Profit after taxation		8.2	10.8

Profit for both the current and preceding financial year arises solely from continuing operations. The financial statements were approved by the Board on the 2 June 2023 and signed on its behalf by:



Denis Carroll
Chairman



Martin Griffin
Chairman of Audit Committee

KERRY CO-OPERATIVE CREAMERIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 €m	2021 €m
Profit after taxation	8.2	10.8
Unrealised loss on investments	(623.7)	(201.1)
Total comprehensive loss	(615.5)	(190.3)

KERRY CO-OPERATIVE CREAMERIES LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022	2021
		€m	€m
FIXED ASSETS			
Investments	7	1,693.2	2,325.9
Tangible Fixed Assets	8	-	-
		1,693.2	2,325.9
CURRENT ASSETS			
Receivables	9	0.1	0.6
Bank		21.6	16.0
		21.7	16.6
CURRENT LIABILITIES			
Payables: Amounts falling due within one financial year	10	(8.2)	(7.3)
		(8.2)	(7.3)
NET CURRENT ASSETS		13.5	9.3
TOTAL NET ASSETS		1,706.7	2,335.2
CAPITAL EMPLOYED			
Called up share capital	11	4.0	4.1
Reserve fund		0.1	0.1
Revaluation reserve		1,658.9	2,282.6
Profit and loss account		43.7	48.4
SHAREHOLDERS' FUNDS		1,706.7	2,335.2

The financial statements were approved by the Board on the 2 June 2023 and signed on its behalf by:



Denis Carroll
Chairman



Martin Griffin
Chairman of Audit Committee

KERRY CO-OPERATIVE CREAMERIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Called Up Share Capital	Reserve Fund	Revaluation Reserve	Profit & Loss Account	Total
	€m	€m	€m	€m	€m
At 1 January 2021	4.4	0.1	2,483.7	80.4	2,568.6
Profit after taxation	–	–	–	10.8	10.8
Market drop on Investment value and transfer on realisation	–	–	(201.1)	93.5	(107.6)
Share Redemption	(0.3)	–	–	(123.1)	(123.4)
Share interest paid	–	–	–	(13.2)	(13.2)
At 31 December 2021	4.1	0.1	2,282.6	48.4	2,335.2
Profit after taxation	–	–	–	8.2	8.2
Market drop on Investment value and transfer on realisation	–	–	(623.7)	41.2	(582.5)
Share Redemption	(0.1)	–	–	(40.9)	(41)
Share interest paid	–	–	–	(13.2)	(13.2)
At 31 December 2022	4	0.1	1,658.9	43.7	1,706.7

KERRY CO-OPERATIVE CREAMERIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022	2021
	€m	€m
Operating Activities		
Profit after taxation	8.2	10.8
Loss on Sale of Investments	9.3	4.0
Decrease in receivables	0.5	(0.6)
Increase in payables	0.8	(2.1)
Net cash inflow from operating activities	18.8	12.1
Investing Activities		
Proceeds from sale of shares net of transaction costs	40.9	92.6
Proceeds from IPL Plastics Disposal	-	9.3
Net cash inflow from investing activities	40.9	101.9
Financing Activities		
Share interest payment	(13.2)	(13.2)
Share Redemption Costs	(40.9)	(123.1)
Net cash outflow from financing activities	(54.1)	(136.3)
Net Increase / (Decrease) in cash and cash equivalents	5.6	(22.3)
Cash and cash equivalents at beginning of financial year	16.0	38.3
Cash and cash equivalents at end of financial year	21.6	16.0

KERRY CO-OPERATIVE CREAMERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. PRINCIPAL ACTIVITIES

Kerry Co-Operative Creameries is an Agricultural Society registered under the Industrial and Provident Societies Acts. It engages in Agricultural trading and holds investments in a number of corporate entities.

2. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of quoted shares and in accordance with Irish statute comprising the Industrial and Provident Societies Acts, 1893 to 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Investments

Quoted investments comprise equity investments that are actively traded in organised financial markets. These shares are held at market value which is determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. Unrealised revaluation gains and losses are taken directly to the revaluation reserve and are recorded in the Statement of Comprehensive Income. On disposal of the investments, accumulated unrealised gains and losses are transferred from the revaluation reserve to the income statement. Information on the Society's investments are given in Note 7.

Unquoted investments are stated at cost. Income from investments is recognised as Turnover in the Income Statement in the period in which it is receivable.

Share Interest

Share interest is accounted for on an accruals basis through the retained earnings reserve. Share interest proposed does not meet the definition of a liability until it has been approved.

Taxation

Current tax, including Irish corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or the right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets and liabilities are not discounted.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no critical accounting judgements or key sources of estimation uncertainty except for those set out in the accounting policies in Note 2 and those areas of principal risk and uncertainty set out in Note 14.

4. OPERATING EXPENSES

These are expenses incurred by the Co-Operative in the course of its business. The major items included Director and former directors Fees €509,050 (2021: €372,700), Bank Charges €95,127 (2021: €233,169), Subscriptions €119,444 (2021: €120,868), Salaries & pension €934,884 (2021: €316,538) Legal & Consultancy Fees €324,612 (2021: €2,635,660).

KERRY CO-OPERATIVE CREAMERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 TAXATION

	2022 €m	2021 €m
Corporation tax	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in Ireland (12.5%).
The difference is explained below:

	2022 €m	2021 €m
Factors affecting change for the financial year:		
Profit on ordinary activities before taxation	8.2	10.8
Profit on ordinary activities multiplied by the standard rate of taxation (12.5%) (2021: 12.5%)	1.0	1.4
Effects of:		
Franked investment income not subject to tax	(2.5)	(2.3)
Excess allowable expenses carried forward	1.5	0.9
Corporation tax	-	-

A deferred tax asset of €1.7M (2021: €1.5M) has not been recognised as there is uncertainty as to the timing of future taxable profits.

6. SHARE INTEREST 2022

	2022 €m	2021 €m
Share interest paid:		
3,296,618 shares @ €4 (2021: 3,480,821 @ €3.80)	13.2	13.2
	13.2	13.2

KERRY CO-OPERATIVE CREAMERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7 INVESTMENTS

	2022	2021
	€m	€m
Quoted shares at market value:		
Balance at start of financial year	2,324.9	2,529.4
Disposal of Kerry Group shares	(9)	(3.4)
Revaluation (deficit)/ surplus	(623.7)	(201.1)
	1,692.2	2,324.9
Unquoted investments at cost:		
Balance at start of financial year	1	1
	1	1
Total investments at end of financial year	1,693.2	2,325.9

Included in quoted shares at market value is the Society's holding in Kerry Group plc. At the year-end, the Society holds 11.35% (2021: 11.6%) of the ordinary share capital of Kerry Group plc. This investment is carried at fair value of €1,692m (2021: €2,325m). Fair value was determined with reference to the quoted market price at the reporting date and is a level 1 measurement on the fair value hierarchy. The market value of each of Kerry Group Shares, ordinary shares at year end was €84.24 per share (2021: €113.25).

Other Investments include:

Kerry Airport
Listowel Races Development Company Ltd
Kenmare Livestock Mart Co-Operative Society Ltd
Cilcoone Ltd (Cork Racecourse),
FBD Holdings, Kingdom Co-Op Mart,
Golden Vale Marts
Western Forestry Co-Op Ltd

Unquoted investments are stated at cost.

KERRY CO-OPERATIVE CREAMERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8 TANGIBLE FIXED ASSETS

Cost	Fixtures, Fittings & equip	Total
	€	€
At 01/01/2022	-	-
Additions	24,949	24,949
At 31/12/2022	24,949	24,949
Depreciation		
At 01/01/2022	-	-
Charge for the period	1,133	1,133
At 31/12/2022	1,133	1,133
Net Book Values		
At 31/12/2022	23,816	23,816
At 31/12/2021	-	-

9. RECEIVABLES

	2022	2021
	€m	€m
Sundry Debtors	0.1	0.6
	0.1	0.6

10. PAYABLES: (amounts falling due within one financial year)

	2022	2021
	€m	€m
Other creditors	8.2	7.3
	8.2	7.3

KERRY CO-OPERATIVE CREAMERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11 CALLED UP SHARE CAPITAL

	2022	2021
	€m	€m
Called up Share capital fully paid:		
"A" Ordinary shares of €1.25 each	1.4	1.5
"B" Ordinary shares of €1.25 each	1.1	1.1
"C" Ordinary shares of €1.25 each	1.5	1.5
	4.0	4.1

Transfers of shares by members can lead to shares being categorized differently to that of the original holder, as the share categories are dependent on the eligibility of the shareholders under the rules of the Co-operative Society to hold such shares.

Analysis of movement in Share Capital during the financial year:

	"A" Ordinary Shares	"B" Ordinary Shares	"C" Ordinary Shares	Total
	€m	€m	€m	€m
At beginning of year	1.5	1.1	1.5	4.1
Transfers between classes & redemptions	(0.1)	(0.0)	(0.0)	(0.1)
At end of year	1.4	1.1	1.5	4.0

12. RELATED PARTY TRANSACTIONS

In the ordinary course of their business as farmers, Directors and companies owned by Directors have traded on standard commercial terms with the Agribusiness Division of Kerry Group plc. Aggregate purchases from, and sales to, these Directors amounted to €7,094,298 (2021: €3,961,121) and €1,699,539 (2021: €835,211), respectively. The trading balance outstanding at financial year end was €92,957 (2021: €71,436).

In the ordinary course of business, the directors of Kerry Co-operative Creameries Limited received returns of €106,778 (2021: €88,800) on their investments in Kerry Co-operative Creameries Limited and in Kerry Group plc. Kerry Co-operative Creameries Limited purchased milk from Kerry Creameries Ltd (a related party). The value of milk purchased in 2022 was €68,321 (2021: €55,475).

Kerry Co-operative Creameries Limited utilises some administrative services of Kerry Group plc for which no fee is charged.

Compensation for Executive Management in 2022 was €795,001 (2021: €228,352).

The total compensation for Directors and former Directors (directors that resigned in 2021) for the financial year amounted to €509,050 (2021: €372,700).

KERRY CO-OPERATIVE CREAMERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. RELATED PARTY TRANSACTIONS (continued)

	Appointed	Fees 2022 €	Fees 2021 €
Sean Brosnan (Retired)	2016	4,500	17,950
Denis Carroll	2018	39,200	19,733
John Casey (Retired)	2012	22,150	15,300
Paddy O'Neill	2022	1,250	-
Seamus Crawford	2018	23,800	15,900
Conor Creedon	2018	29,200	18,900
John Lawlor	2022	1,250	-
Thomas Cummins (Retired)	2012	4,500	17,500
Martin Moloney	2022	1,250	-
Denis Donovan ¹	2020	28,700	15,800
John Fitzmaurice (Retired)	2017	20,350	15,600
Patrick Keane	2022	1,250	-
Victor Gardiner ² (Retired)	2017	28,850	24,600
Martin Griffin	2018	25,000	15,600
Patrick Hanafin	2018	24,200	16,800
Mundy Hayes (Retired)	2003	20,350	25,367
Billy Horgan (Retired)	2016	4,500	14,350
Fiachra Liston (Retired)	2021	17,050	1,250
Eoghan McCarthy	2021	18,700	1,250
Jim McInerney ¹	2017	27,600	21,000
Conleth McMahon (Retired)	2016	4,500	14,350
Tom Murphy (Retired)	2016	4,500	14,050
John O'Connor	2021	19,300	1,250
Joseph O'Connor (Retired)	2011	-	13,750
Pat O'Donoghue ³	2014	28,000	21,900
James O'Keeffe	2018	23,200	15,300
John O'Sullivan	2021	19,300	1,250
Edward Joe Collins	2022	1,250	-
Patrick Rohan (Retired)	2017	20,350	15,600
James Tangney	2020	25,000	17,100
Shane Wall	2021	20,000	1,250
		509,050	372,700

The Annual fees for Board Members are set at €15,000 and at €25,000 for the Chairman. Additional payments are made for attendance at Committee meetings. A number of Directors sit on other Boards as representatives of Kerry Co-Operative Creameries Ltd and are paid additional fees in respect of those appointments.

1 Directors Munster Cattle Breeding Group Ltd Jim McInerney and Denis Donovan. Denis Donovan was appointed in December 2021.

2 Director ICOS Victor Gardiner.

3 Director Member of National Dairy Council Pat O'Donoghue.

Compensation paid to former directors

Included in salary costs in 2022 are payments made to former directors of €1,800 each.

They are as follows: Martin Crowe, Tom Galvin, Paddy Casey and Willie Slattery.

KERRY CO-OPERATIVE CREA MERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. AUDIT FEES

	2022	2021
Audit of financial statements	€19,800	€18,000

14. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Society are the risk of a loss of income due to a reduction in the value of its investments and a reduction in its dividend income and taxation risk.

The most significant investment held by the Society is its investment in Kerry Group plc. The value of the shares of Kerry Group plc may be impacted by a number of risks and uncertainties impacting the Group including portfolio management, business acquisition and divestiture, developing markets, quality and food safety, raw material and input cost fluctuations, talent management, IT systems and information security, taxation and treasury risk. Changes in tax laws, changing legal interpretations and tax audits may impact on the Society's future tax liabilities.

Details of financial risk management are set out in Note 15.

15. FINANCIAL RISK MANAGEMENT

The Society's financial instruments comprise investments, cash balances and trade and other payables. The main financial risk to which the Society is exposed is market risk. Market risk is the risk of a potential fall in income or net asset position of the Society due to changes or fluctuations in the quoted market price of its shares in Kerry Group plc. This risk is not considered significant, as the market price of the shares has remained strong in recent years. Further information in relation to this risk is set out in Note 14.

The Society is also exposed to credit risk in relation to its cash balances. The Board believes there is limited exposure to credit risk as the Society's cash balances are held with major financial institutions.

FRS 102 requires disclosure of how hypothetical changes in risk variables affect the price of financial instruments. If share prices had been 10% higher/ (lower) as at 31 December 2022, net assets would have been €169m higher/ (lower).

Capital Management

The primary objective of the Society's capital management is to maximise shareholder value. The capital structure of the Society comprises equity. The Society is not subject to any externally imposed capital requirements.

KERRY CO-OPERATIVE CREA MERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. FINANCIAL INSTRUMENTS

Analysis of financial instruments by category:

	Loan and receivables and other financial assets / (liabilities) (at amortised cost)	Assets at fair value through other comprehensive income	Total
	2022	2022	2022
	€m	€m	€m
Financial asset investments	1.0	1,692.2	1,693.2
Cash at bank	21.6	–	21.6
Receivables	0.1	–	0.1
Trade and other payables	(8.2)	–	(8.2)
Total net assets	14.5	1,692.2	1,706.7

	2021	2021	2021
	€m	€m	€m
Financial asset investments	1.0	2,324.9	2,325.9
Cash at bank	16.0	–	16.0
Receivables	0.6	–	0.6
Trade and other payables	(7.3)	–	(7.3)
Total net assets	10.3	2,324.9	2,335.2

17. SUBSEQUENT EVENTS

There are no subsequent events that require disclosure in the financial statements.

Electoral Area	Advisory Committee Members
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ARDKREAM ELECTORAL AREA

Kenneth Lawlor	Liam O'Sullivan	John Kearney	Maurice O'Driscoll
Maurice Harty	John O'Sullivan	William Slattery	Michael Kissane
John Rohan	Padraig McCarthy	Billy Dee	Henry McEnery
John A O'Connor	John O'Hanlon	John Lawlor	Adrian Keane
Dermot O'Connell	Thomas Shanahan		

FEALE ELECTORAL AREA

Patrick Keane	John G Fitzmaurice	John O'Connor	Thomas Galvin
James Egan	Shane Wall	Noel O'Connor	Thomas Mulvihill
Damian Galvin	Michael McMahon	Con O'Sullivan	Patrick F Buckley
John Joe Dillon	Patrick Carmody	John Joe Flavin	David Diggin
John Nolan			

DICKSGROVE ELECTORAL AREA

TJ Murphy	Cornelius O'Mahony	Florence M Kerrisk	Michael Martin Griffin
John C O'Connor	Donie O'Sullivan	Michael Teahan	John J Kerins
Niall Broderick	John Kearney	David Walsh	

IVERAGH ELECTORAL AREA

Denis Carroll	Donal Spring	Eoghan McCarthy	Kevin Heffernan
Thomas Murphy	James Casey	William N Murphy	James P Doyle
Donal Hayes	Thomas O'Connell	John Foley	Maurice Foley
Thomas Kelliher			

EAST KERRY ELECTORAL AREA

Martin Randles	Michael J Murphy	Dermot Dineen	Andrew Buckley
Diarmuid McCarthy	Billy Linehan	Conor Creedon	Tim Dennehy
Patrick Herlihy	Richard Leader		

WEST KERRY ELECTORAL AREA

Michael Kelliher	Patrick Hanafin	Seamus Leahy	Oliver Brosnan
Michael Dowd	Denis M Galvin	Sean McCarthy	

Electoral Area	Advisory Committee Members
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EAST LIMERICK ELECTORAL AREA

James Tangney	John Bateman	Vincent O'Brien	John Hawe
Martin Moloney	Michael Hickey	Thomas O'Brien	Clement J McAuliffe
Joseph Tierney	Liam McGrath	Padraig Kenneally	Paul Hannan
Richard Hynes	Desmond Frawley	Gerard Cronin	Seamus Crawford
Thomas O'Donnell	Timothy O'Brien	Tom Lynch	Brendan O'Regan
Con Walsh	Fiachra Liston	Ian Kelleher	Michael McNamara
Robert Troy	Fergus McCarthy	Martin Crowe	Michael Ahern
Michael O'Connor	Sean White		

WEST LIMERICK ELECTORAL AREA

Aidan O'Callaghan	Batt J Casey	Cornelius Forrest	David Hayes
David Horan	Denis Donovan	Denis Lane	Denis Mulcahy
Dermot Browne	Donal Cronin	Eamon Burke	Gerard Noonan
James Fitzgerald	Joe Collins	John O'Shaughnessy	Michael A Doody
Michael G O'Flynn	Michael O'Callaghan	Michael O'Grady	Michael G O'Connor
Niall O'Callaghan	Patrick McAuliffe	Patrick O'Kelly	Victor Gardiner
Richard O'Sullivan	Tadgh F Shanahan	Thomas Prendiville	Tim O'Connell
James A Kelly			

CLARE ELECTORAL AREA

Kevin Hassett	Anthony Horan	Francis Kennedy	John Hehir
Michael Shalloo	Patrick O'Neill	Declan O'Dwyer	Patrick O'Donoghue
Sean Carrig	Jim McNerney	Michael Cahir	Patrick Minogue
William Hanrahan	Sinead Cahill	Patrick J Murray	Andrew Killeen
Niall McCarthy	Patrick O'Brien	Patrick Talty	Richard Pilkington
John Casey	John G Healy	John Whelan	Michael McNerney
Sean Bugler			







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