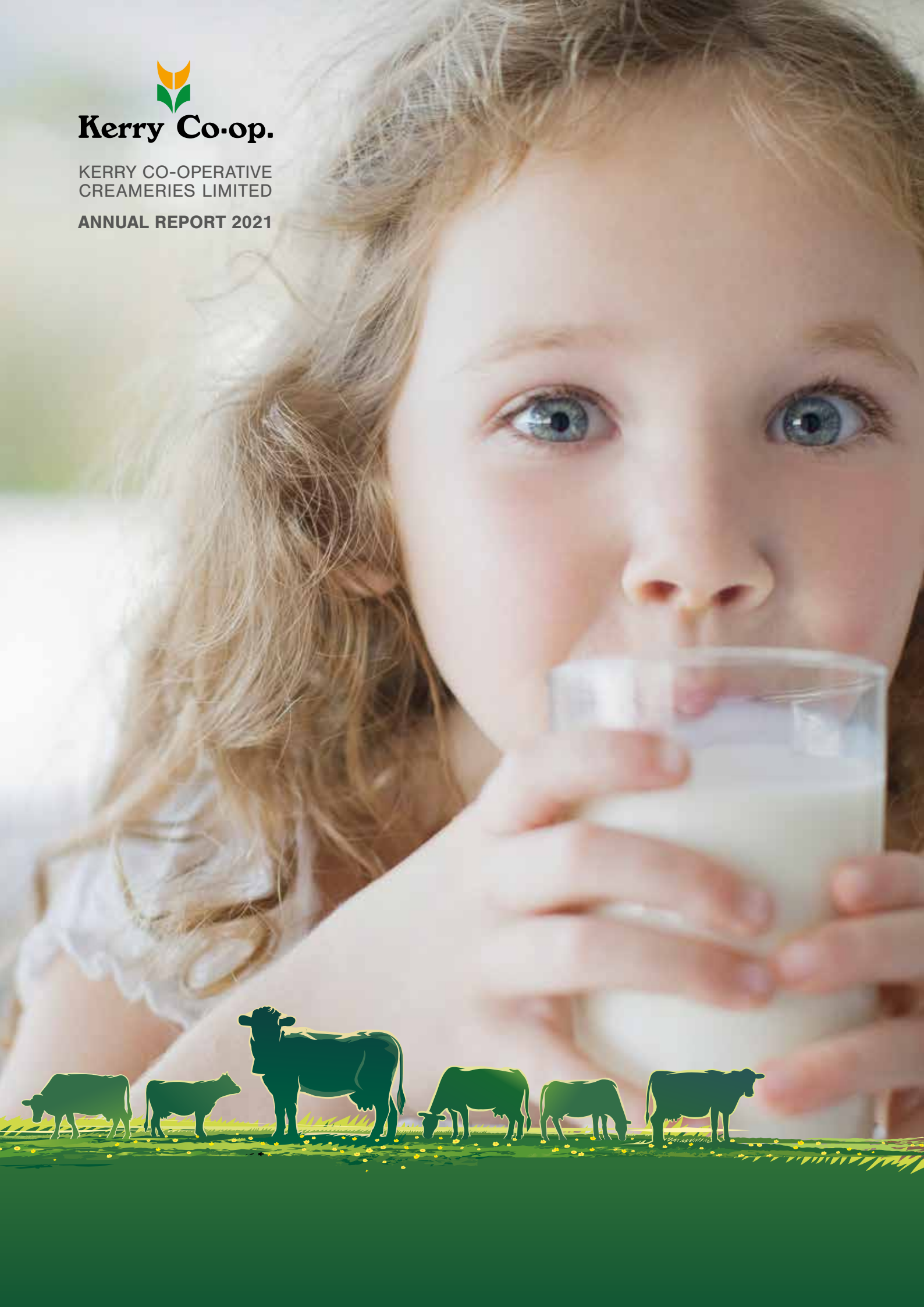




Kerry Co-op.

KERRY CO-OPERATIVE
CREAMERIES LIMITED

ANNUAL REPORT 2021





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Chairman's Statement

Denis Carroll
Chairman



I was honoured to be elected as Chairman of Kerry Co-Operative Creameries Ltd and would like to pay tribute to the outgoing Chairman Mundy Hayes for the work he has undertaken in his term as Chairman. I am pleased to report on the activities of the Society for 2021 and on behalf of the Board of Kerry Co-Operative Creameries Ltd I am presenting the Annual Report and Financial Statements of the Society for the year ended the 31 December 2021. The impact of Covid 19 prevented us from holding our AGM in person for the last two years so I am glad we are in a position to meet in person this year.

KERRY GROUP PLC RESULTS 2021

Kerry Co-Operative Creameries Ltd is the largest shareholder in Kerry Group plc. Kerry Group plc had revenue of €7.4 billion in 2021 representing volume growth of 8%. Group trading profit increased by 9.8% to €875.5m. Group trading margin was 11.9%. Adjusted EPS of 380.8 cent on a constant currency basis was achieved and a final dividend of 66.7cent per share was proposed. Earnings per share guidance for 2022 is to achieve growth of 5% to 9% on a constant currency basis. There was a significant recovery in business margins across the second half of the year. The Society received dividend income amounting to €18.8million from our shareholding in Kerry Group plc during the year ended 31 December 2021. Share interest of €3.80 per share was paid in July 2021.

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 2021 there were a total of 20 Directors representing

nine Advisory Areas. The Board has 4 sub-committees with specific tasks.

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 laws 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.

Strategy Committee

The formulation of strategy is a matter for the Board and the strategy committee assists the board with strategy formulation through examining and bringing focus to defined tasks at the request of the board

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on Remuneration levels for Members and oversees the remuneration elements in the CEO's contract.

BOARD CHANGES

I would like to thank Sean Brosnan, Tom Murphy, Conleth McMahon, Joseph O'Connor, Billy Horgan and Tom Cummins, who retired from the Board in 2021, for their individual contributions and service they provided to the Board during their terms of office. I would like to welcome John O'Connor, Eoghan McCarthy, Shane Wall, John O'Sullivan and Fiachra Liston to the Board following their election in December. I would like to extend my condolences to the family of the late Gerard O'Sullivan who passed away in November 2021. Gerard retired as a Director of the Co-Op in December 2020.

Milk Price 2021

Extensive negotiations took place in the first quarter of 2022 with the aim of settling the milk price for 2021. I am happy to report that these talks have been successful and there is no dispute in respect of 2021.

Milk Price Dispute and Joint Venture Proposal

In the course of 2020 and into the first quarter of 2021, we examined options aimed at resolving the milk price dispute between Kerry Creameries Ltd and our milk supplier members on foot of the Arbitration Report finalised in 2019. Arbitration talks moved on to a discussion on a joint venture. An extensive amount of work was carried out in this regard and information of a confidential nature was exchanged between the parties with a view to forming a joint venture. The engagement talks were unsuccessful on this occasion. The Co-Op engaged a number of professional advisors to carry out legal, financial and commercial due diligence, and to place a valuation on the business. As a result, substantial costs of €2.6m were incurred in obtaining this assistance.

MEETINGS 2021

Board Members

Members	Meetings 2021	Attended
Sean Brosnan*	18	18
Denis Carroll	19	19
John Casey	19	19
Seamus Crawford	19	19
Conor Creedon	19	19
Tom Cummins**	16	16
Denis Donovan	19	19
John Fitzmaurice	19	19
Victor Gardiner	19	19
Martin Griffin	19	19
Patrick Hanafin	19	19
Mundy Hayes	19	18
Billy Horgan***	18	18
Jim McInerney	19	19
Conleth McMahon*	18	18
Tom Murphy*	18	18
Joseph O'Connor*	19	19
Patrick O'Donoghue	19	19
James O'Keeffe	19	19
Patrick Rohan	19	19
James Tangney	19	19
John O'Sullivan	1	1
John C O'Connor	1	1
Eoghan McCarthy	1	1
Shane Wall	1	1
Fiachra Liston	1	1

*Retired after completing 5-year term

**Retired after completing 4 years of a 5-year term

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



MEETINGS 2021

Strategy Committee

Members	Meetings 2021	Attended
John Casey, Chair	1	1
Denis Donovan	1	1
James O'Keeffe	1	1
Sean Brosnan	1	1
Mundy Hayes	1	1
Seamus Crawford	1	1
Tom Murphy	1	1
Eoghan McCarthy	0	0
Denis Carroll	0	0
Conor Creedon	0	0
Jim McInerney	0	0
Victor Gardiner	0	0

Leading Milk Price Committee

Members	Meetings 2021	Attended
Sean Brosnan, Chair	12	12
James Tangney	6	6
Patrick O'Donoghue	12	12
Denis Carroll	12	12
Conor Creedon	12	12
Victor Gardiner	12	12
Patrick Hanafin	6	6
Shane Wall	0	0

MEETINGS 2021

Audit Committee

Members	Meetings 2021	Attended
Conleth McMahon, Chair	2	2
Billy Horgan	2	2
Martin Griffin	2	2
Fiachra Liston	0	0
John O'Sullivan	0	0
John O'Connor	0	0
Denis Carroll	0	0
Conor Creedon	0	0

Remuneration Committee

Members	Meetings 2021	Attended
Mundy Hayes, Chair	2	2
Seamus Crawford	2	2
Patrick Rohan	2	2
John Fitzmaurice	2	2
Denis Carroll	0	0
Conor Creedon	0	0

NORTH KERRY MILK PRODUCTS

In November 1967, the ten North Kerry (and Limerick) co-operative societies had federated into an association by the name of North Kerry Co-operative Creameries, chaired by Eddie Hayes. This was not an amalgamation but operated together in matters of joint interest.

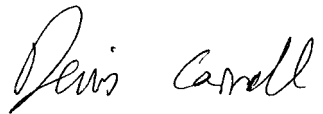
The co-operatives involved in this federation were Abbeydorney, Ballinclemessig, Fealesbridge, Lee Strand, Lixnaw, Newtownsandess, Brosna and Ratoo in County Kerry and Athea and Mountcollins in County Limerick. The federation took a one third stake in a newly formed enterprise North Kerry Milk Products in partnership with the Dairy Disposal Company and Fry-Cadbury (Ireland) Ltd.

A number of attempts were made to have a factory built in Listowel but they ended in crushing disappointment. The farmers persevered and their entrepreneurial spirit was rewarded in 1970 when they teamed up with Erie Casein Company through meeting with a husband-and-wife team of Bob and Sylvia (Reisenbigler) Siewert who eventually took a 15% stake in North Kerry Milk Products with Fry Cadbury withdrawing. Despite internal disputes on the project, they held together put the finance in place, got planning permission and began construction of the factory in Listowel in 1972 and had already secured a market for their products through Erie Casein. All of this was done before a management team was appointed and it was an incredible achievement by the farmers involved in following their entrepreneurial instincts and put in place an organisation which would form Kerry Co-Operative Creameries Ltd in 1973 who in turn would launch Kerry Group in 1986. I would like to extend the appreciation of the Board to those farmers and we look forward to celebrating our 50th year in 2023.

SHARE INTEREST

The Board recommends the payment of share interest of €4.00 per share on all shares held at 27th May 2022. Subject to the approval at the Annual General Meeting, this share interest will be paid to shareholders on 8th July 2022.

I would like to thank our CEO and his staff for their contribution during the course of the year.



Denis Carroll
Chairman

11th May 2022



CEO Report

Thomas Hunter McGowan
CEO & Company Secretary



Milk Price Dispute and Arbitration

Talks on settling the milk price dispute 2015-2020 were unsuccessful and the matter is now subject to further arbitration.

ELECTIONS 2021

Advisory Elections

Ardkream Advisory Area

Sub-Electoral Area 12: Adrian Keane and John Lawlor retired by rotation and were eligible for re-election without nomination. Austin Brosnan contested the seats and after a ballot Adrian Keane and John Lawlor were returned.

Sub-Electoral Area 13: Dermot O'Connell and Thomas Shanahan retired by rotation and were eligible for re-election without nomination and both returned unopposed.

Sub-Electoral Area 14: John O'Connor and John O'Hanlon retired by rotation and were eligible for re-election without nomination and both returned unopposed.

Feale Advisory Area

Sub-Electoral Area 21: John Joe Flavin and Patrick Carmody retired by rotation and were eligible for re-election without nomination. Both were re-elected unopposed.

Sub-Electoral Area 22: James Gerard O'Carroll and Patrick Keane retired by rotation. David Diggin and John Nolan were both returned to these seats.

Dicksgrove Advisory Area

Sub-Electoral Area 31: Sean Brosnan and John Kearney retired by rotation and were eligible for re-election without nomination. Sean Brosnan did not seek re-election. John Kearney and David Walsh were returned unopposed.

Iveragh Advisory Area

Sub-Electoral Area 41: Maurice Foley and John Foley retired by rotation and were eligible for re-election without nomination. Both were re-elected unopposed.

Sub-Electoral Area 43: Tom Kelleher retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed.

East Kerry Advisory Area

Sub-Electoral Area 50: Patrick Herlihy and Richard Leader retired by rotation and were eligible for re-election without nomination. Both were re-elected unopposed.

West Kerry Advisory Area

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

East Limerick Advisory Area

Sub-Electoral Area 70: Tom Cummins retired. Martin Crowe retired by rotation and was eligible for re-election without nomination. Martin Crowe was re-elected unopposed along with Sean White.

Sub-Electoral Area 71: Michael Ahern and Fergus McCarthy retired by rotation and were eligible for re-election without nomination. Both were returned unopposed.

Sub-Electoral Area 75: Michael O'Connor retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed.

West Limerick Advisory Area

Sub-Electoral Area 80: John O'Shaughnessy retired by rotation and was eligible for re-election without nomination. He was re-elected unopposed. Tom Brouder retired and was ineligible for re-election. No nominations were received for the vacant seat.

Sub-Electoral Area 81: Donal Cronin & Michael Gerard O'Connor retired by rotation and were eligible for re-election, both were re-elected unopposed.

Sub-Electoral Area 85: Aidan O'Callaghan & James Vincent O'Keeffe retired by rotation and were eligible for re-election without nomination. The seats were contested by James Fitzgerald. After a full ballot, Aidan O'Callaghan and James Fitzgerald were returned.

Clare Advisory Area

Sub-Electoral Area 90: Sean Hogan & Sean Bugler retired by rotation and were eligible for re-election without nomination. Sean Hogan withdrew and did not seek re-election. Sean Bugler and Michael McNerney were returned.

Sub-Electoral Area 91: Noel Clancy and John Casey retired their seats by rotation and were eligible for re-election without nomination. Noel Clancy did not seek re-election. John Casey and John Whelan were returned.

Sub-Electoral Area 92: John Gerard Healy retired by rotation and was eligible for re-election without nomination. He was returned unopposed.

Board Elections

In the Iveragh Advisory area Thomas Murphy retired by rotation from the Board of Kerry Co-op and was eligible for re-election without nomination. He did not seek re-election. Eoghan McCarthy was elected for this seat uncontested.

In the Dicksgrove Advisory area, Sean Brosnan retired by rotation from the Board of Kerry Co-op. The seat was contested by John C O'Connor and John Kearney. A full ballot took place and John C O'Connor was returned.

In the Feale advisory area, Conleth McMahon retired by rotation from the Board of Kerry Co-op. The seat was contested by Patrick Keane and Shane Wall. A full ballot took place and Shane Wall was returned.

In the Ardkreem Advisory area Joseph O'Connor retired from the Board. John O'Sullivan was elected uncontested.

In the East Limerick Advisory area, an election was held due to the early retirement of Thomas Cummins who had a remaining year left on the Kerry Co-op Board. Three candidates put themselves forward for election - Fiachra Liston, Fergus McCarthy and Martin Moloney. A full ballot took place and Fiachra Liston was returned.

Election of Chairman and Vice-Chairman of the Board

The position of Chairman was contested by Denis Carroll and James Tangney. In a secret ballot Denis Carroll was returned as Chairman. The position of Vice-Chairman was contested by Jim McNerney and Conor Creedon. In a secret ballot Conor Creedon was returned.

PATRONAGE TAX APPEAL

The patronage tax appeal was heard by the Appeals Commissioners in November 2017. The Appeals Commissioner issued his determination in July 2020 and found in our favour. Revenue lodged an appeal on a point of law and the matter came before the High Court on Thursday 16th December 2021 and the hearing commenced on that date. However, when the matter recommenced on Friday morning the Judge indicated a concern about a potential bias in the case and in order to avoid a perception of bias recused herself from the hearing of the case. The new hearing was held 29th and 30th March 2022 and we expect judgement in late May/early June 2022.



SHARE REDEMPTION SCHEME

We have now completed six tranches under the Share Redemption Scheme. The price achieved in the June redemption was €683.50 per Co-Op share while the price achieved in October was €641.75. There has also been a movement in the grey market where the price averaged €565.49 for the year with the highest price achieved at €649 per share. Of all commercial transfers 68% were for €570 or more.

Share Redemption Scheme 2021	June	October	Total
Total number of Applications	1253	694	1947
Partial A	274	158	432
Full A	14	6	20
Partial B	323	146	469
Full B	81	33	114
Partial C	377	198	575
Full C	184	153	337
Total Partial	974	502	1476
Total Full	279	192	471

MEETINGS

The impact of the restrictions put in place to deal with the coronavirus has prevented our ability to meet in person both at Board and Advisory level. Fortunately, these restrictions have been lifted. Our Annual General Meeting will be held on 21st June in the Gleneagle INEC Arena in Killarney followed by a Special General Meeting to consider a number of changes to the Rule Book.

Thomas Hunter McGowan
CEO & Company Secretary
11th May 2022

BOARD OF DIRECTORS



D. Carroll,
*Chairman,
Iveragh*



C. Creedon,
*Vice Chairman,
East Kerry*



J. Casey
Clare



S. Crawford
East Limerick



D. Donovan
West Limerick



J. Fitzmaurice
Feale



V. Gardiner
West Limerick



M. Griffin
Dicksgrove



P. Hanafin
West Kerry



M. Hayes
Ardkreem



F. Liston
East Limerick



J. McNerney
Clare



E. McCarthy
Iveragh



J. O'Connor
Dicksgrove



P. O'Donoghue
Clare



J. O'Keeffe
West Limerick



J. O'Sullivan
Ardkreem



P. Rohan
West Kerry



J. Tangney
East Limerick



S. Wall
Feale



KERRY CO-OPERATIVE CREAMERIES LIMITED

DIRECTORS AND OTHER INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

DIRECTORS

D. Carroll, Chairman
C. Creedon, Vice Chairman
J. Casey
S. Crawford
D. Donovan
J. Fitzmaurice
V. Gardiner
M. Griffin
P. Hanafin
M. Hayes
F. Liston
J. McNerney
E. McCarthy
J. O'Connor
P. O'Donoghue
J. O'Keeffe
J. O'Sullivan
P. Rohan
J. Tangney
S. Wall

REGISTERED HEAD OFFICE

Prince's Street
Tralee
Co. Kerry

AUDITORS

Deloitte Ireland LLP
Deloitte & Touche House
Chartered Accountants and Statutory Audit Firm
Charlotte Quay
Limerick

BANKERS

Allied Irish Banks plc
52 Upper Baggot St
Dublin 4

KERRY CO-OPERATIVE CREAMERIES LIMITED

STATEMENT OF BOARD RESPONSIBILITIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

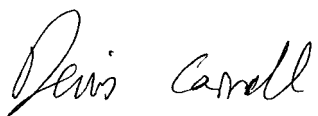
The board are responsible for ensuring that the society keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the society, enable at any time the assets, liabilities, financial position and profit or loss of the society to be determined with reasonable 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



Conor Creedon
Vice-Chairman



INDEPENDENT AUDITORS' 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 (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 31st December, 2021 and of the profit for the year then ended; and
- have been prepared in accordance with the relevant 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 16, including a summary of significant accounting policies as set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KERRY CO-OPERATIVE CREAMERIES LIMITED**

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'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 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the society (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KERRY CO-OPERATIVE CREAMERIES LIMITED

Report on other legal and regulatory requirements

Matters on which we are Required to Report by the Industrial and Provident Societies Act

As required by section 13(2) of the Industrial and Provident Societies 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*

Deloitte & Touche House

Chartered Accountants and Statutory Audit Firm

Charlotte Quay, Limerick

Date: 24th May 2022

KERRY CO-OPERATIVE CREAMERIES LIMITED

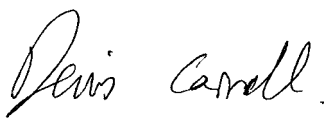
INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<i>Note</i>	2021	2020
		€m	€m
Turnover		18.8	18.0
(Loss)/Gain on Realised Investment		(4.0)	0.2
		14.8	18.2
Operating expenses	4	(4.0)	(2.3)
Profit before taxation		10.8	15.9
Taxation	5	-	-
Profit after taxation		10.8	15.9

Profit for both the current and preceding financial year arises solely from continuing operations.

The financial statements were approved by the Board on 11th May 2022 and signed on its behalf by:



Denis Carroll
Chairman



Conor Creedon
Vice-Chairman



KERRY CO-OPERATIVE CREAMERIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021	2020
	€m	€m
Profit after taxation	10.8	15.9
Unrealised (loss)/gain on investments	(201.1)	39.3
Total comprehensive (loss)/income	(190.3)	55.2

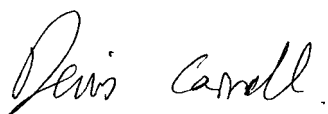
KERRY CO-OPERATIVE CREAMERIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 €m	2020 €m
FIXED ASSETS			
Investments	7	2,325.9	2,530.4
		2,325.9	2,530.4
CURRENT ASSETS			
Receivables	8	0.6	9.3
Bank		16.0	38.3
		16.6	47.6
CURRENT LIABILITIES			
Payables: Amounts falling due within one financial year	9	(7.3)	(9.4)
		(7.3)	(9.4)
NET CURRENT ASSETS		9.3	38.2
TOTAL NET ASSETS		2,335.2	2,568.6
CAPITAL EMPLOYED			
Called up share capital	10	4.1	4.4
Reserve fund		0.1	0.1
Revaluation reserve		2,282.6	2,483.7
Profit and loss account		48.4	80.4
SHAREHOLDERS' FUNDS		2,335.2	2,568.6

The financial statements were approved by the Board on 11th May 2022 and signed on its behalf by:



Denis Carroll
Chairman



Conor Creedon
Vice-Chairman



KERRY CO-OPERATIVE CREAMERIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Called up Share Capital	Reserve Fund	Revaluation Reserve	Profit & Loss Account	Total
	€m	€m	€m	€m	€m
At 1 January 2020	4.6	0.1	2,452.3	66.6	2,523.6
Profit after taxation	-	-	-	15.9	15.9
Disposal of IPL Plastics			(7.9)	7.9	-
Market Uplift on Investment value and transfer on realisation	-	-	39.3	118.7	158.0
Share redemption	(0.2)	-	-	(114.8)	(115.0)
Share Interest paid	-	-	-	(13.9)	(13.9)
At 31 December 2020	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





KERRY CO-OPERATIVE CREAMERIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021	2020
	€m	€m
Operating Activities		
Profit after taxation	10.8	15.9
Loss/(gain) on Sale of Investments	4.0	(0.2)
Increase in receivables	(0.6)	-
(Decrease) in payables	(2.1)	(16.1)
Net cash inflow from operating activities	12.1	(0.4)
Investing Activities		
Proceeds from sale of shares net of transaction costs	92.6	117.7
Proceeds from IPL Plastics Disposal	9.3	-
Net cash inflow from investing activities	101.9	117.7
Financing Activities		
Share interest payment	(13.2)	(13.9)
Share Redemption Costs	(123.1)	(115.0)
Net cash outflow from financing activities	(136.3)	(128.9)
Net (Decrease) in cash and cash equivalents	(22.3)	(11.6)
Cash and cash equivalents at beginning of financial year	38.3	49.9
Cash and cash equivalents at end of financial year	16.0	38.3

KERRY CO-OPERATIVE CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 are 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 13.

4. OPERATING EXPENSES

These are expenses incurred by the Co-Operative in the course of its business. The major items included Director Fees €372,700 (2020: €399,600), Bank Charges €233,169 (2020: €111,103), Subscriptions €120,868 (2020: €122,090), Salaries €282,753 (2020: €228,400) Consultancy Fees €2,635,660 (2020: €623,898).



KERRY CO-OPERATIVE CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. TAXATION	2021	2020
	€m	€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:

	2021	2020
	€m	€m
Factors affecting change for the financial year:		
Profit on ordinary activities before taxation	10.8	16.0
Profit on ordinary activities multiplied by the standard rate of taxation (12.5%) (2020: 12.5%)	1.4	2.0
Effects of:		
Franked investment income not subject to tax	(2.3)	(2.2)
Excess allowable expenses carried forward	0.9	0.2
Corporation tax	-	-

A deferred tax asset of €1.5m (2020: €1.3m) has not been recognised as there is uncertainty as to the timing of future taxable profits.

6. SHARE INTEREST	2021	2020
	€m	€m
Share interest paid:		
3,480,821 shares @ €3.80 (2020: 3,652,539 @ €3.80)	13.2	13.9
	13.2	13.9

KERRY CO-OPERATIVE CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. INVESTMENTS	2021	2020
	€m	€m
Quoted shares at market value:		
Balance at start of financial year	2,529.4	2,498.2
Disposal of Kerry Group shares	(3.4)	(0.2)
Disposal of Investment in IPL Plastics	-	(7.9)
Revaluation (deficit)/ surplus	(201.1)	39.3
	2,324.9	2,529.4
Unquoted investments at cost:		
Balance at start of financial year	1.0	1.0
	1.0	1.0
Total investments at end of financial year	2,325.9	2,530.4

Included in quoted shares at market value is the Society's holding in Kerry Group plc. At the year-end, the Society holds 11.6% (2020: 12.1%) of the ordinary share capital of Kerry Group plc. This investment is carried at fair value of €2,325m (2020: €2,529m). 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 €113.25 per share (2020: €118.5).

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 2021

	2021	2020
	€m	€m
8. RECEIVABLES		
Other receivables	-	9.3
Sundry Debtors	0.6	-
	0.6	9.3

An amount of €0.6m is included as outstanding VAT to be recouped for the current year. In 2020 the proceeds from the sale of IPL Plastics shares was outstanding at year end but was received during the year.

	2021	2020
	€m	€m
9. PAYABLES:		
(amounts falling due within one financial year)		
Other creditors	7.3	9.4
	7.3	9.4

	2021	2020
	€m	€m
10. CALLED UP SHARE CAPITAL		
Called up Share capital fully paid:		
"A" Ordinary shares of €1.25 each	1.5	1.7
"B" Ordinary shares of €1.25 each	1.1	1.2
"C" Ordinary shares of €1.25 each	1.5	1.5
	4.1	4.4

Transfers of shares by members can lead to shares being categorised 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.

KERRY CO-OPERATIVE CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. CALLED UP SHARE CAPITAL (continued)

Analysis of movement in Share Capital during the financial year:

	“A” Ordinary Shares €m	“B” Ordinary Shares €m	“C” Ordinary Shares €m	Total €m
At beginning of year	1.7	1.2	1.5	4.4
Transfers between classes & redemptions	(0.2)	(0.1)	(0.0)	(0.3)
At end of year	1.5	1.1	1.5	4.1

11. 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 €3,961,121 (2020: €3,164,273) and €835,211 (2020: €769,755), respectively. The trading balance outstanding at financial year end was €71,436 (2020: €40,597). No expense has been recognised in the financial year for bad or doubtful debts in respect of amounts owed by directors.

In the ordinary course of business, the directors of Kerry Co-operative Creameries Limited received returns of €88,800 (2020: €110,063) 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 2021 was €55,475 (2020: €67,498).

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

Compensation for Executive Management in 2021 was €228,352 (2020: €185,027).

The total compensation for Directors for the financial year amounted to €372,700 (2020: €399,600).



KERRY CO-OPERATIVE CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. RELATED PARTY TRANSACTIONS (continued)

	Appointed	Fees 2021 €	Fees 2020 €
Sean Brosnan	2016	17,950	15,600
Denis Carroll	2018	19,733	17,400
John Casey	2012	15,300	15,600
Paddy Casey	2010	-	1,800
Seamus Crawford	2018	15,900	15,600
Conor Creedon	2018	18,900	17,400
Martin Crowe	2015	-	22,150
Thomas Cummins ¹	2012	17,500	21,000
James Devane	2010	-	14,050
Denis Donovan ¹	2020	15,800	1,250
John Fitzmaurice	2017	15,600	15,000
Thomas Galvin	2014	-	4,800
Victor Gardiner ²	2017	24,600	17,400
Martin Griffin	2018	15,600	15,300
Patrick Hanafin	2018	16,800	15,000
Mundy Hayes	2003	25,367	28,300
Billy Horgan	2016	14,350	15,300
Fiachra Liston	2021	1,250	-
Eoghan McCarthy	2021	1,250	-
Jim McInerney ¹	2017	21,000	18,000
Conleth McMahon	2016	14,350	15,300
Tom Murphy	2016	14,050	15,600
Tim O'Connell	2015	-	14,350
John O'Connor	2021	1,250	-
Joseph O'Connor	2011	13,750	15,000
Pat O'Donoghue ³	2014	21,900	20,100
James O'Keeffe	2018	15,300	15,600
John O'Sullivan	2021	1,250	-
Patrick Gerard O'Sullivan	2010	-	14,650
Patrick Rohan	2017	15,600	15,000
William Slattery	2014	-	1,800
James Tangney	2020	17,100	1,250
Shane Wall	2021	1,250	-
		372,700	399,600

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 and replaced Tom Cummins who resigned in November 2021.

² Director ICOS Victor Gardiner

³ Director Member of National Dairy Council Pat O'Donoghue

KERRY CO-OPERATIVE CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. AUDIT FEES

	2021	2020
	€	€
Audit of financial statements	18,000	18,000

13. 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 14.

14. 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 13.

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) at 31 December 2021, net assets would have been €234m 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 CREAMERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. 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
	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

	2020	2020	2020
	€m	€m	€m
Financial asset investments	1.0	2,529.4	2,530.4
Cash at bank	38.3	-	38.3
Receivables	9.3	-	9.3
Trade and other payables	(9.4)	-	(9.4)
Total net assets	39.2	2,529.4	2,568.6

16. SUBSEQUENT EVENTS

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

Electoral Area	Advisory Committee Members			
ARDKREEM				
BILLY DEE	MAURICE HARTY	ADRIAN KEANE	JOHN KEARNEY	
MICHAEL KISSANE	JOHN LAWLOR	KENNETH LAWLOR	PADRAIG MCCARTHY	
HENRY MCENERY	DERMOT O'CONNELL	JOHN A O'CONNOR	MAURICE O'DRISCOLL	
JOHN O'HANLON	JOHN O'SULLIVAN	LIAM O'SULLIVAN	JOHN ROHAN JNR	
THOMAS SHANAHAN	WILLIAM SLATTERY			
FEALE				
PATRICK F BUCKLEY	PATRICK CARMODY	DAVID DIGGIN	JOHN JOE DILLON	
JAMES EGAN	JOHN G FITZMAURICE	JOHN JOE FLAVIN	DAMIAN GALVIN	
THOMAS GALVIN	PATRICK KEANE	MICHAEL MCMAHON	THOMAS MULVIHILL	
JOHN NOLAN	JOHN O'CONNOR	NOEL O'CONNOR	CON O'SULLIVAN	
SHANE WALL				
DICKSGROVE				
NIALL BRODERICK	MICHAEL M GRIFFIN	JOHN KEARNEY	JOHN J KERINS	
FLORENCE M KERRISK	T J MURPHY	JOHN C O'CONNOR	CORNELIUS O'MAHONY	
DONIE O'SULLIVAN	MICHAEL TEAHAN	DAVID WALSH		
IVERAGH				
PATRICK BROWNE	DENIS CARROLL	JAMES CASEY	JAMES P DOYLE	
JOHN FOLEY	MAURICE FOLEY	DONAL HAYES	KEVIN HEFFERNAN	
THOMAS KELLIHER	THOMAS MURPHY	WILLIAM N MURPHY	EOGHAN MCCARTHY	
THOMAS O'CONNELL				
EAST KERRY				
ANDREW BUCKLEY	CONOR CREEDON	TIM DENNEHY	DERMOT DINEEN	
PATRICK HERLIHY	RICHARD LEADER	BILLY LINEHAN	MICHAEL J MURPHY	
DIARMUID MCCARTHY	MARTIN RANGLES			



Electoral Area	Advisory Committee Members		
WEST KERRY			
OLIVER BROSNAN	MICHAEL DOWD	DENIS M GALVIN	PATRICK HANAFIN
MICHAEL KELLIHER	SEAMUS LEAHY	PATRICK ROHAN	
EAST LIMERICK			
MICHAEL AHERN	JOHN BATEMAN	JOHN CAGNEY	SEAMUS CRAWFORD
GERARD CRONIN	MARTIN CROWE	DESMOND FRAWLEY	PAUL HANNAN
JOHN HAWE	MICHAEL HICKEY	RICHARD HYNES	IAN KELLEHER
PADRAIG KENNEALLY	FIACHRA LISTON	TOM LYNCH	MARTIN MOLONEY
FERGUS MCCARTHY	CLEMENT J MCAULIFFE	LIAM MCGRATH	MICHAEL MCNAMARA
THOMAS O'BRIEN	TIMOTHY O'BRIEN	MICHAEL O'CONNOR	THOMAS O'DONNELL
BRENDAN O'REGAN	JAMES TANGNEY	JOSEPH TIERNEY	ROBERT TROY
CON WALSH	SEAN WHITE		
WEST LIMERICK			
DERMOT BROWNE	EAMON BURKE	BATT J CASEY	JOE COLLINS
DONAL CRONIN	DENIS DONOVAN	MICHAEL A. DOODY	CORNELIUS FORREST
JAMES FITZGERALD	VICTOR GARDINER	DAVID HAYES	DAVID HORAN JNR
JAMES A KELLY	DENIS LANE	PATRICK MCAULIFFE	DENIS MULCAHY
GERARD NOONAN	AIDAN O'CALLAGHAN	MICHAEL O'CALLAGHAN	NIALL O'CALLAGHAN
TIM O'CONNELL	MICHAEL G O'CONNOR	MICHAEL G O'FLYNN	MICHAEL O'GRADY
JAMES V O'KEEFFE	PATRICK O'KELLY	JOHN O'SHAUGHNESSY	RICHARD O'SULLIVAN
THOMAS PRENDIVILLE	TADGH F SHANAHAN		
CLARE			
SEAN BUGLER	SINEAD CAHILL	JOHN CASEY	MICHAEL CAHIR
SEAN CARRIGG	WILLIAM HANRAHAN	KEVIN HASSETT	JOHN G HEALY
JOHN HEHIR	ANTHONY HORAN	FRANCIS KENNEDY	ANDREW KILLEEN
PATRICK MINOGUE	PATRICK J MURRAY	NIALL MCCARTHY	JIM MCINERNEY
MICHAEL MCINERNEY	PATRICK O'BRIEN	PATRICK O'DONOGHUE	DECLAN O'DWYER
PATRICK O'NEILL	RICHARD PILKINGTON	MICHAEL SHALLOO	PATRICK TALTY
JOHN WHELAN			







FBD House,
Fels Point,
Dan Spring Road,
Tralee,
Co Kerry.
T: +353 66 7128571

www.kerryco-op.com