CONTENTS

BOARD OF DIRECTORS

KILMALLOCK:	A. Liston (Chairman of the Board of Directors), T. Boyce, J. O'Connor, B. Clery, T. Shanahan, D. Mullins, J. Carmody, B. Laffan, J. Purcell, J. Cooke, E. O'Dea, L. McGrath.
RATHKEALE:	D. Naughton, T. Hannon, C. O'Gorman.
ABBEYFEALE:	J. O'Keeffe, (Vice-Chairman of the Board of Directors) J. Ward, P. Lane.
DROMCOLLOGHER:	P. O'Connell, K. O'Sullivan
CARRIGALLEN:	M. McGovern, M. Flood, G. Taylor.
TULLAMORE:	D. Connor, P. Grogan, J. Kane.

MANAGEMENT SUB-COMMITTEE

A. Liston (Chairman of the Board of Directors), J. O'Keeffe, (Vice-Chairman of the Board of Directors) D. Connor, P. O'Connell, M. McGovern, J. O'Connor, P. Grogan, T. Hannon, T. Shanahan, P. Lane

EXECUTIVES

Chief Executive & Secretary:	P J Buckley, B. Comm., F.C.A.
Financial Controller:	Maurice Lyons, B. Comm., F.C.A.
Property Director:	Tom Crosse, F.I.P.A.V.

MART AND PROPERTY MANAGERS

Helen Kells,
Antoinette Daly,
Denis Lane,
Richard Ryan, M.I.P.A.V.
Peter Scully, M.I.P.A.V.
Gordon Cobbe, M.I.P.A.V.

OTHER INFORMATION

Registered Office:	Kilmallock, Co. Limerick. (063) 98050
Public Auditor:	Pricewaterhouse Coopers, Bank Place, Limerick.
Solicitors:	Maurice M.A. Power & Son, Kilmallock, Co. Limerick.
Bankers:	Bank of Ireland PLC Bank Zachodni WBK S.A. Sparkasse Osnabrück Deutsche Postbank AG.

CHAIRMAN'S REPORT

Dear Shareholder,

It is a great honour for me as Chairman to present the Annual Report of our Society for the year ended 31 December 2017

REVIEW OF OPERATIONS

The Society had a successful year with income of €8.439 million and an operating profit of €2.438 million. The Society's profit after interest and before tax was €1.666 million. Equity shareholders' funds increased by over €1.1 million in the year.

LIVESTOCK

I am glad to report that the number of livestock sold in our Marts increased in the year by over 4,000 to 122,000 cattle and calves and the Marts division continues to produce healthy profits. Unfortunately, however, the weather has severely impacted on farmers and on Marts in the current year to date and it will undoubtedly lead to a challenging 2018 for everyone.

We continued with our intensive investment programme in all of our Marts in 2017 with expenditure of €158K. This brings the total capital expenditure in our Marts in the last 10 years to almost €2 million. It is hoped that this investment will ensure that our Marts can continue to operate to the highest standards of safety, efficiency and service for all of our customers and staff. The issue of safety is coming into increasing focus, we are engaging in the process of employing safety officers in our Marts and undoubtedly, there will have to be changes to how we run them. I hope users will react positively to these changes and understand that their safety is our primary concern.

PROPERTY AUCTIONEERING

I am glad to report that our Property Auctioneering Division continues to develop and grow and is contributing significant profits to the Society. GVM Auctioneers is a very well respected name within the sector. We have a very committed and professional staff involved in all of our offices who are focused on delivering the very best service to all of our clients.

PROPERTY INVESTMENTS

The Society has a very large property investment portfolio which constitutes a very significant part of our income and our asset base.

I am glad to report that all of our property investments continue to perform very well. The Society purchased another property in Bremen (Germany) during the year involving a total investment of €1.1 million. We invested nearly €300K in capital expenditure in 2017 in our German properties which should help to maintain and increase income and value going forward. Our investments in Germany are well diversified across six different properties in five different cities and with in excess of one hundred and forty tenants. Our Polish investment continues to generate substantial profits. Our Shannon property and our two NCT centres also performed satisfactorily in the year.

BIOGREEN

The Society in conjunction with three other shareholders invested new funds into the Company during the year. However, one shareholder relinquished his holding in the Company and following this re-organisation, the Society now owns 57% of the Company (up from 50%). This means that the results and balance sheet of Biogreen are now included on a consolidated basis in the Society's accounts. Biogreen experienced a difficult year in 2017, and the Board of the

Company has taken the prudent decision to write down significantly the value of its assets. Projections for the current year are more positive and coupled with the significant reduction in the Company's bank debt, Biogreen is fully focused on growing its business and returning to profitability

DIVIDEND

I am glad to report that the board are recommending a dividend of 5%. In order to reduce the substantial administration and postal costs involved, it plans to defer the payment of all dividends until 2019.

APPRECIATION

In the past year, a number of people who served on the Board and advisory committees and who worked with the Society passed away. On my own behalf and on behalf of the Board, I want to extend to their spouses and families my deepest sympathy.

60th ANNIVERSARY

I am glad to report that the history of the Society covering the period from establishment in 1956 to 2016 was completed and launched at a very enjoyable function in May of last year. I would like to thank the author Sean Liston and everyone who contributed to the publication. It deals with all of our successes and failures and it is also an important social history of the period and I would encourage shareholders to read it. It can be obtained in local bookshops or directly from the Society for only €10.

CONCLUSION

I am coming to the end of my term as Chairman after four years and I am also retiring from the Board. I would like to thank my colleagues on the Board and all of the Advisory Committees and you the shareholders for your strong support over my term of office. I also want to thank Management and staff for their loyalty and support and for the contribution they make to this Society. I want to thank all of our customers for their continuing support and also our auditors and advisers.

I have no doubt that Marts in general are facing into challenging times. We have Brexit around the corner but the farming sector itself is changing. Farming units are increasing in size, labour in these units is scarce and the whole movement of animals is changing. Increasing numbers of animals are moving outside of the Mart sector. I think it is absolutely critical that Marts survive and stay relevant for farmers as they are the only open, transparent and fair way for buying and selling livestock. I am confident that our Society is strong enough and committed to meeting the challenges facing us into the future. I wish you and the Society well.

AIDAN LISTON

CHAIRMAN.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with applicable Irish law including the Industrial and Provident Societies Acts, 1893 and accounting standards generally accepted in Ireland. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board of Directors confirms that it has complied with the above requirements in preparing the financial statements.

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

Independent auditors' report to the members of Golden Vale Mart Co-operative Mart Limited

Report on the audit of the financial statements

Opinion

In our opinion, Golden Vale Co-Operative Mart Limited's group financial statements (the "financial statements"):

- give a true and fair view of the group's assets, liabilities and financial position as at 31 December 2017 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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

- the consolidated balance sheet as at 31 December 2017;
- the consolidated income and expenditure account for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Reporting on other information

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the Board of Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the Board of Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Industrial and Provident Societies Act, 1893 reporting

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

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Limerick
3 May 2018

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the financial year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
Income	5	8,439	6,473
Cost of sales		(1,337)	-
Gross profit		7,102	6,473
Operating expenses	6	(5,099)	(4,690)
Fair value gain on investment property	7	919	76
Exceptional item - impairment of goodwill	24	(295)	-
Loss on disposal of investment properties		-	(9)
Depreciation (net of capital grants released)		(189)	(114)
Operating profit	6	2,438	1,736
Share of operating (loss)/profit in joint ventures		(90)	24
Profit on ordinary activities before interest and tax		2,348	1,760
Interest payable and similar charges	8	(682)	(657)
Profit on ordinary activities before tax		1,666	1,103
Tax on profit on ordinary activities	9	(404)	(95)
Profit after tax and before non-controlling interest		1,262	1,008
Non-controlling interest	28	62	(1)
Profit for the financial year	10	1,324	1,007

There are no items of income and expense recognised in total comprehensive income outside of profit or loss.

CONSOLIDATED BALANCE SHEET
For the financial year ended 31 December 2017

	Note	2017 €'000	2016 €'000
Fixed assets			
Investment properties	11	37,699	35,353
Tangible assets	12	5,475	4,940
Financial assets - investments	13	502	502
Interest in joint ventures - share of net assets	14	190	263
		43,866	41,058
Current assets			
Stocks	15	177	15
Debtors (amounts falling due within one year)	16	1,166	868
Cash at bank	17	2,785	3,236
		4,128	4,119
Creditors - amounts falling due within one year	18	(3,914)	(2,495)
Net current assets		214	1,624
Total assets less current liabilities		44,080	42,682
Creditors - amounts falling due after more than one year	19	(18,924)	(18,677)
Provisions for liabilities	21	(2,002)	(1,800)
Net assets		23,154	22,205
Capital and reserves			
Share capital	26	1,104	1,124
Capital reserve (non-distributable)	26	3,210	3,210
Currency translation reserve	26	(323)	(337)
Retained profits	26	19,353	18,162
Equity shareholders' funds - equity interests		23,344	22,159
Non-controlling interest	28	(190)	46
Capital employed		23,154	22,205

The financial statements were approved and authorised for issue by the Board of Directors on 19 April 2018 and signed on its behalf by:

Aidan Liston
Chairman

John O'Keeffe
Vice Chairman

19 April 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2017

	Share capital	Capital reserve (non-distributable)	Currency translation adjustment	Profit and loss account	Total
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2016	1,138	3,210	(276)	16,955	21,027
Profit for financial year	-	-	-	1,007	1,007
Gains/(losses) arising during the year	-	-	(61)	-	(61)
Bonus issue during the year	21	-	-	(21)	-
Shares redeemed during the year	(35)	-	-	-	(35)
Distribution to non-controlling interest	-	-	-	221	221
Balance at 31 December 2016 and 1 January 2017	1,124	3,210	(337)	18,162	22,159
Profit for financial year	-	-	-	1,324	1,324
Gains/(losses) arising during the year	-	-	14	-	14
Dividends (note 26)	-	-		(47)	(47)
Bonus issue during the year	40	-	-	(40)	-
Shares redeemed during the year	(60)	-	-	-	(60)
Distribution to non-controlling interest (note 28)	-	-	-	(46)	(46)
Balance at 31 December 2017	1,104	3,210	(323)	19,353	23,344

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2017

	Note	2017 €'000	2016 €'000
Cash from operations	27	2,346	1,693
Income taxes paid		(84)	(320)
Net cash flows generated from operating activities		2,262	1,373
Cash flows from investing activities			
Acquisition of subsidiary net of cash acquired	24	81	-
Purchase of tangible fixed assets and investment properties		(1,597)	(999)
Purchase of financial asset investments		-	(517)
Net cash used in investing activities		(1,516)	(1,516)
Cash flows from financing activities			
Interest paid and similar charges		(669)	(625)
Share capital redeemed		(60)	(35)
Acquisition of non-controlling interest		-	(1,253)
Distributions to non-controlling interest	28	(46)	(238)
Repayment of bank borrowings		(1,284)	(875)
Proceeds from issue of bank borrowings		899	425
Dividends paid	26	(47)	-
Net cash used in financing activities		(1,207)	(2,601)
Net (decrease)/increase in cash and cash equivalents		(461)	(2,744)
Cash and cash equivalents at 1 January		3,067	5,811
Cash and cash equivalents at 31 December		2,606	3,067

Cash and cash equivalents consists of:

		2017 €'000	2016 €'000
Cash and bank balances		1,901	2,625
Client funds cash and bank balances		884	612
Bank overdraft		(179)	(170)
Cash and cash equivalents		2,606	3,067

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Golden Vale Co-Operative Mart Limited is a Society incorporated in Ireland under the Industrial and Provident Societies Act, 1893 to 2014.

The address of its registered office is Railway Road, Kilmallock, Co Limerick.

2 Statement of compliance

The financial statements of Golden Vale Co-Operative Mart Limited and its subsidiary undertakings have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland). The group financial statements comply with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland") ("FRS 102") and the Industrial and Provident Societies Acts, 1893 to 2014.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation
The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise their judgement in the process of applying the Society's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4. The directors consider that it is appropriate to prepare these financial statements on the going concern basis.

(b) Basis of consolidation
The consolidated financial statements include the financial statements of Golden Vale Co-Operative Mart Limited and its subsidiaries made up to the balance sheet date.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Where necessary adjustments are made to subsidiary financial statements to bring the accounting policies in line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Society control is accounted for as a business combination. Therefore where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired, is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(b) Basis of consolidation - continued

The Society's share of results of its joint ventures, which are entities in which the Society holds an interest on a long term basis and which are jointly controlled by the Society and one or more other ventures under a contractual arrangement, are accounted for using the equity method. Initial recognition, from the date the investments are finalised is at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Society's share of profits or loss and other comprehensive income of joint ventures.

(c) Joint arrangements

The Society has certain contractual agreements with other participants to engage in joint activities. The Society includes its share of assets, liabilities and cashflows in such joint arrangements, measured in accordance with the terms of each arrangement.

(d) Foreign currency

The functional currency of the Society is considered to be Euro because that is the currency of the primary economic environment in which the Society operates. The financial statements are also presented in Euro, rounded to the nearest €'000.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date, and revenues, costs and non-monetary assets at the exchange rates ruling at the transaction date. Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account.

The assets and liabilities of subsidiaries denominated in foreign currencies are translated using year end exchange rates and income is translated at average rates. Exchange adjustments arising from the restatement of opening balance sheets of foreign subsidiaries are dealt with through reserves. The cumulative effect of the exchange rate change is included in shareholders' equity.

Monetary assets are money held and amounts to be received in money. All other assets are non-monetary assets.

(e) Income

Income represents commissions, entry fees, auctioneers' fees earned, sales of livestock and property rents. Income is stated exclusive of value added tax.

Commissions, entry fees and auctioneers' fees

The Society operates a number of marts and property offices throughout Ireland. Income is recognised on entry fees when animals enter the mart as there are no unfulfilled obligations that could affect the mart income from that point. Income is measured at fixed prices specified at each mart location.

Income is recognised on commissions when an animal is sold at the auction as this is when there is no further obligation on the mart. Income is measured at the commission rate per listing.

Income is recognised on auctioneers' fees when contracts for sale of property are signed as this is when the income is irrevocable. Income is measured at the commission per signed engagement letter.

Sale of Livestock

The Society operates a number of farms and income is recognised on the sale of livestock. Income is recognised when an animal is sold at the mart auction. Income is measured at the price agreed at auction.

Property rents

The Society owns a number of investment properties and these generate rental income. Rental income is recognised in the period it is invoiced as this is the service period. Rental income is measured at amount per individual tenant's agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(e) Income - continued

Biogreen - sale of rapeseed products

The Society's subsidiary Biogreen Energy Products Limited processes rapeseed and sells the produce. Sale of goods are recognised on delivery to the customer. Delivery occurs when the goods have been shipped to the location specified by the customer, the risks of loss and obsolescence have been transferred to the customer, the customer has accepted the product in accordance with the sales contract and the company has object evidence that all criteria for acceptance have been satisfied.

(f) Post employment benefits

The Society operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the Society in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown as accruals in the balance sheet.

(g) Income tax

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the end of the financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing differences.

(h) Goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value of the Society's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income and expenditure statement. No reversals of impairment are recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(i) Tangible fixed assets and depreciation

(i) Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(ii) Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

	Rate %
Land	0
Buildings	2.5
Plant and machinery	10 - 50

(i) Tangible fixed assets and depreciation - continued

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate at the end of each financial year. The effect of any changes in either residual values or useful lives is accounted for prospectively.

(j) Financial fixed assets

The investments by the Society in subsidiary, joint venture and associate undertakings are shown at historical cost less accumulated impairment losses.

(k) Investment properties

The properties are re-valued annually in accordance with FRS 102 Section 16 and the surplus or deficit on revaluation is recognised in the income and expenditure account for the year. Investment properties are not depreciated. These properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate.

(l) Stocks

Stocks, feedstuffs and animals are valued at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

(n) Provision and contingencies

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

(o) Grants

Capital grants have been treated as deferred credits and released as income in equal annual instalments over the estimated economic lives of the relevant fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(p) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and cash equivalents, are initially recognised at transaction price (including transaction costs).

Trade and other debtors and cash and cash equivalents, are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price.

Trade and other creditors and bank loans are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(p) Financial instruments - continued

(iii) Derivatives
Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not apply hedge accounting for interest rate swaps.

(iv) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(q) Share capital presented as equity

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

(r) Distributions to equity shareholders

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

4 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements made in the process of preparing the Society's financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Society's accounting policies

There are no critical judgements, apart from those involving estimates, made by the directors that have a significant effect on the amounts recognised in the financial statements.

(b) Critical accounting estimates and assumptions

The directors make assumptions concerning the future in the process of preparing the Society financial statements. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

(i) Valuation of investment property
The properties are re-valued annually in accordance with FRS 102 Section 16 and the surplus or deficit on revaluation is recognised in the income and expenditure account for the year. Investment properties are not depreciated. These properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate.

(ii) Recognition of deferred tax asset
In accordance with FRS 102 Section 29.7, a deferred tax asset shall be recognised only to the extent that it is probable that it will be recovered against the reversal of deferred tax liabilities or other future taxable profits. The deferred tax asset impact on the investment property measured at fair value has been considered and a deferred tax asset has been booked to the extent an existing deferred tax liability is present against which it can be offset. No net deferred tax asset has been recognised in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

5 Income

Income in the marts is derived from commission and entry fees earned on sales of livestock. The gross value of livestock sales in the Society's marts during the year was €90,155,688 (2016: €88,559,137).

An analysis of the Society's income by geographical market is set out below:

	2017 €'000	2016 €'000
Europe	8,439	6,473
	8,439	6,473

An analysis of the Society's turnover is as follows:	2017 €'000	2016 €'000
Biogreen turnover	1,631	-
Commissions, entry fees, auctioneers' fees and sales of livestock	3,785	3,639
Rents receivable	3,023	2,834
	8,439	6,473

6 Operating expenses

(a) Analysis of operating expenses:

	2017 €'000	2016 €'000
Administration expenses	2,937	2,785
Other expenses	1,848	1,905
Biogreen expenses	314	-
	5,099	4,690

(b) The following operating expenses have been recognised	2017 €'000	2016 €'000
Impairment loss - trade debtors	25	59
Depreciation	215	123
Loss on disposal of investment properties	-	9
Amortisation of grants	(26)	(9)
Audit, accountancy and other professional services fees	116	109

7 Fair value gain on investment properties

	2017 €'000	2016 €'000
Fair value gain on Society and subsidiary investment properties	919	76

The investment properties are revalued annually, resulting in a surplus on revaluation of €919,390 (2016: €75,752). This surplus on revaluation has been credited (2016: credited) to the income and expenditure account. See further details in note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8 Net interest expense

	2017 €'000	2016 €'000
(a) Interest receivable and similar income	-	-
(b) Interest payable and similar charges		
Interest payable on overdrafts and bank loans	(669)	(625)
Share of interest payable by joint venture/arrangement	(13)	(32)
Total interest payable and similar charges	(682)	(657)
(c) Net interest expense		
Interest receivable and similar income	-	-
Interest payable and similar charges	(682)	(657)
Net interest expense	(682)	(657)

9 Income tax

	2017 €'000	2016 €'000
(a) Tax expense include in profit or loss		
Current tax:		
Irish corporation tax on profit for the financial year	14	-
Foreign corporation tax on profit for the financial year	83	61
Current tax expense for the financial year	97	61
Deferred tax:		
Origination and reversal of timing differences	307	34
Deferred tax expense/(credit) for the financial year	307	34
Tax on profit on ordinary activities	404	95

(b) Reconciliation of tax expense

Tax assessed for the financial year is higher (2016: lower) than the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2017 of 12.5% (2016: 12.5%). The differences are explained below:

	2017 €'000	2016 €'000
Profit on ordinary activities before taxation	1,666	1,103
Profit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 December 2017 of 12.5% (2016: 12.5%)	208	138
Effects of:		
- Joint venture results reported net of tax	11	(3)
- Income not subject to tax	(123)	(30)
- Unrecognised deferred tax	-	2
- Deferred tax on investment property revaluations	187	(4)
- Income subject to tax at a higher rate	5	-
- Expenses not deductible for tax purposes	17	12
- Impact of overseas tax rates	99	(20)
Tax on profit on ordinary activities	404	95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

10 Profit for the financial year

A profit of €40,246 (2016: loss of €7,844) for the year has been dealt with in the income and expenditure account of the parent Society.

11 Investment properties

	2017 €'000	2016 €'000
At 1 January	35,353	34,585
Additions	1,427	692
Revaluation gain (see (a) below)	919	76
At 31 December	37,699	35,353

(a) Certain land and buildings owned by the Society in Ireland were valued as at 31 December 2017 on open market value basis by Tom Crosse, F.I.P.A.V., GVM Auctioneers, 26 Glentworth Street, Limerick. This resulted in no change over the prior year carrying value (2016: no change).

The investment property in Poland was valued on an open market value basis as of 31 December 2017 by the directors. This resulted in a revaluation loss of €160,000 over the prior year carrying value (2016: no change) and this has been debited to the income and expenditure account.

The investment properties in Brandenburgische, Potsdam, Joachimstaler and Hamburg (all located in Germany), were revalued on an open market basis as at 31 December 2017. These valuations were performed by Stefan Küter, director of GVM Berlin Ltd., resulting in a revaluation gain of €1,030,169 (2016: revaluation loss of €23,575) on the aggregate value of these assets over the prior year carrying value and this has been credited (2016: debited) to the income and expenditure account.

The investment properties in Osnabruck and Bremen (both located in Germany) were revalued on an open market basis as at 31 December 2017. These valuations were performed by Stefan Küter, director of GVM Osnabruck Ltd, resulting in a revaluation gain of €49,221 (2016: revaluation gain of €99,326) over the prior year carrying value and this has been credited (2016: credited) to the income and expenditure account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12 Tangible fixed assets

	Land and buildings - Biogreen €'000	Plant and machinery - Biogreen €'000	Land and buildings €'000	Plant and Machinery €'000	Total €'000
Financial year ended 31 December 2016					
Opening carrying amount	-	-	4,508	248	4,756
Additions	-	-	190	117	307
Disposals	-	-	-	-	-
Depreciation	-	-	(72)	(51)	(123)
Carrying amount	-	-	4,626	314	4,940
Financial year ended 31 December 2017					
Opening carrying amount	-	-	4,626	314	4,940
Additions	-	-	77	93	170
Acquisition of subsidiary (note 24)	175	405	-	-	580
Disposals	-	-	-	-	-
Depreciation	(25)	(55)	(72)	(63)	(215)
Carrying amount	150	350	4,631	344	5,475

13 Financial fixed assets

	2017 €'000	2016 €'000
Unlisted shares	502	502

In the opinion of the directors the value of the unlisted shares are in excess of their cost.

14 Interest in joint arrangement

	2017 €'000	2016 €'000
Share of gross assets	546	597
Share of gross liabilities	(356)	(334)
Share of net assets	190	263

The interest in joint arrangement relates to the Polish property investment holding company Kiwi SP Z.o.o (2016: Kiwi SP Z.o.o).

15 Stocks

	2017 €'000	2016 €'000
Biogreen stocks	162	-
Animals and feedstuff	15	15
Total stocks	177	15

The replacement cost of the stocks do not differ materially from their stated balance sheet value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

16 Debtors - (amounts falling due within one year)

	2017 €'000	2016 €'000
Biogreen debtors	212	-
Trade debtors	27	2
Prepayments, accrued income and other debtors	264	247
Amount due from joint arrangement company	663	619
	1,166	868

The amount due from the joint arrangement company Kiwi SP Z.o.o. is unsecured, interest free and has no fixed date of repayment.

Trade debtors are after provision for impairment €237,921 (2016: €213,654).

17 Cash at bank

Cash at bank includes amounts held in separate client funds bank accounts of €884,254 (2016: €611,546) and the corresponding liability in respect of funds due to clients is included in creditors (see note 18).

18 Creditors - amounts falling due within one year

	2017 €'000	2016 €'000
Biogreen creditors excluding bank loan and capital grants	297	-
Bank loans (note 20)	1,478	738
Bank overdrafts	179	170
Trade creditors and accruals	941	865
Other creditors (see (a) below)	102	101
Client funds (note 17)	884	612
Capital grants (note 22)	33	9
	3,914	2,495
(a) Other creditors:		
Corporation tax	29	16
PAYE/PRSI	62	72
VAT	12	13
	102	101

19 Creditors - amounts falling due after more one year

	2017 €'000	2016 €'000
Bank loans (note 20)	18,755	18,626
Capital grants (note 22)	86	51
Directors' loan accounts - Biogreen	83	-
	18,924	18,677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

20 Bank loans

The bank loans included in notes 18 and 19 are repayable as follows:

	2017 €'000	2016 €'000
Not later than one year	767	738
Not later than one year - Biogreen	711	-
Later than one year and not later than five years	7,305	7,444
Later than five years	11,450	11,182
	20,233	19,364

- Included in bank loans above is an amount of €1,176,427 in the Society, which is repayable in monthly instalments which commenced in January 2016 with a final repayment of capital and interest no later than 7 years from the commencement date. This loan is secured by a fixed and floating debenture incorporating a specific charge over properties in Kilmallock, Carrigallen and Tullamore and a floating charge over the assets and undertakings in the name of Golden Vale Co-Operative Mart Limited.

- Included in bank loans above are four loans totalling €18,345,066 in subsidiary companies in respect of investment properties. Three of these loans are repayable in equal quarterly instalments which commenced between September and December 2015 with a final repayment of capital and interest due no later than 10 years from the date of commencement in respect of two of those loans and at the earliest 30 September 2019 in respect of the third. The fourth loan is repayable in equal monthly instalments which commenced in July 2017 with a final repayment of capital and interest due no later than 10 years from the date of commencement. These loans are secured by charges on the related investment properties held in the subsidiary companies.

- Included in bank loans above is an amount of €711,339 in Biogreen Energy Products Limited. The shareholders of Biogreen committed voluntarily in 2016 to reduce the bank liability in Biogreen by €750,000 through the introduction of further equity. The Society has fully complied with its obligation in this respect, however an amount of €65,000 remains outstanding from other shareholders in Biogreen. This has resulted in a breach of the company's banking facility at the year end and the loan is therefore repayable on demand. The shareholders in the company are actively working to resolve this issue and are confident of doing so. The loan is secured by a fixed and floating debenture incorporating a specific charge over the property at Adamstown, Enniscorthy, Co Wexford and a floating charge over the assets and undertakings in the name of Biogreen Energy Products Limited. The parent Society and non-controlling interests have jointly and severally provided a letter of guarantee in respect of the loan.

21 Provisions for liabilities and charges

	Provision for joint venture €'000	Deferred Tax €'000	Total €'000
At 1 January 2017	105	1,695	1,800
Movement for year (note 24)	(105)	307	202
At 31 December 2017	-	2,002	2,002
At 1 January 2016	130	1,661	1,791
Movement for year	(25)	34	9
At 31 December 2016	105	1,695	1,800

Deferred tax

Deferred tax is provided as follows:

	2017 €'000	2016 €'000
Accelerated capital allowances	1,378	1,254
Revaluation of investment properties	624	441
Provision for deferred tax	2,002	1,695

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

22 Capital grants

	2017 €'000 - Biogreen	2017 €'000 - Society	2017 €'000 - Total	2016 €'000
Received				
At 1 January	-	228	228	215
Addition	-	-	-	13
Acquisition of subsidiary (note 24)	84	-	84	-
At 31 December	84	228	312	228
Transfers to revenue				
At 1 January	-	167	167	157
During the year	21	5	26	10
At 31 December	21	172	193	167
Net book value				
At 31 December	63	56	119	61
Analysed as follows:				
Amounts due within 1 year	28	5	33	9
Amounts due after 1 year	35	51	86	52

23 Subsidiary undertakings and joint arrangements

The principal subsidiary undertakings are as follows:

Name of Subsidiary	Nature of Business	Holding %	Address of Registered Office
GVM Financial Services Limited	Mortgage, insurance & finance brokers	100	26 Glentworth Street Co Limerick
GVM Property Investments Limited	Investment holding	100	Kilmallock, Co Limerick
Kilmart Investments Luxembourg SARL	Investment holding	100	8-10 Avenue de la Gare, L-1610, Luxembourg
GVM Properties Spolka Z.o.o.	Investment holding	100	UL Mszczonowska 2 02-337 Warsaw, Poland
Greenmart Investments Limited	Investment holding	100	Kilmallock, Co Limerick
GVM UL Unlimited Company	Investment holding	100	Kilmallock, Co Limerick
GVM Berlin Limited	Investment holding	100	Kilmallock, Co Limerick
GVM Collin's Lane Limited	Dormant	100	Kilmallock, Co Limerick
GVM Osnabruck Limited	Investment holding	100	Kilmallock, Co Limerick
Biogreen Energy Products Limited	Processing of rapeseed	57	Kilmallock, Co Limerick
Name of Joint Arrangement			
Kiwi SP Z.o.o	Investment Holding	50	01-455 Warszawa, UL Radowa 24.1.14, Poland

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

23 Subsidiary undertakings and joint arrangements - continued

The subsidiaries are incorporated in and carry on their business in the country where their registered offices are situated, with the exception of GVM Berlin Limited and GVM Osnabruck Limited which carry on their business in Germany.

24 Business combinations

On 22 March 2017, the group increased through purchase of equity its interest in Biogreen Energy Products Limited, which resulted in that company becoming a subsidiary of the group. The percentage of voting instruments owned by the group increased from 50% to 57% after this transaction. Biogreen Energy Products Limited has been accounted for using the equity method until the date control was acquired.

Section 19 of FRS 102 requires that where a business combination is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities assumed and equity instruments issued by the acquirer at the date of each transaction in the series. The cost of the business combination is then allocated by recognising the acquiree's identifiable assets and liabilities at their fair value at that date. Any difference between the cost of the business combination and the acquirer's interest in the net amount of the identifiable assets and liabilities is accounted for as goodwill.

In certain circumstances, Appendix IV of FRS 102 acknowledges that this approach may result in accounting that is inconsistent with the way the investment has been treated previously and for that reason may fail to give a true and fair view of the transaction. When such circumstances are present, the standard permits goodwill arising on each purchase of the business combination achieved in stages to be calculated as the difference between the cost of that purchase and the fair value at the date of purchase of the identifiable assets and liabilities attributable to the interest purchased.

The initial investments by the Society in Biogreen prior to acquiring control on 22 March 2017 have been written down to €nil in the consolidated financial statements. The cumulative amount of this write-down at 31 December 2016 was €778k.

Applying the procedures prescribed by Section 19 of FRS 102 to the transaction on 22 March 2017, results in a goodwill asset of €1,073k at the date control is acquired and an increase in retained profits of €778k, being the reinstatement of the previously written down investment. The directors are of the view that this method of accounting fails to give a true and fair view of the economic reality of the transaction which occurred in 2017 since the creation of goodwill that does not actually exist in the underlying business would be misleading. The directors have therefore applied the procedures set out in Appendix IV of FRS 102 to account for the transaction.

	Pre 2017
Consideration prior to 22 March 2017	€'000
Cash	637
Management services provided	141
Total consideration	778

Recognisable amounts of identifiable net assets acquired and liabilities assumed prior to 22 March 2017	
Identifiable net assets	441
Goodwill (see note (i) below)	337
Total	778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

24 Business combinations - continued

Consideration at 22 March 2017	2017 €'000
Cash	1

Recognised amounts of identifiable net assets acquired and liabilities assumed	2017 €'000
Tangible fixed assets	580
Stock	304
Trade debtors	531
Cash at bank	82
Creditors - amounts falling due within one year	(2,224)
Creditors - amounts falling due after more than one year	(57)
Total identifiable net liabilities	(784)
Society share at 7%	(55)
Release of joint venture provision (note 21)	105
Goodwill (see note (i) below)	(42)
Other	(7)
Total	1

The directors are satisfied that this presentation best reflects the economic reality of the transaction and gives a true and fair view of the group's financial position, financial performance and cash flows.

The post acquisition impact of the Biogreen acquisition on the group financial statements was as follows:

	2017 €'000
Income	1,631
Loss after tax and before non-controlling interest	(416)

(i) Intangible asset - goodwill	2017 €'000	2016 €'000
Cost		
At 1 January	-	-
Additions	295	-
At 31 December	295	-
Accumulated amortisation and impairment		
At 1 January	-	-
Impairment during the year (see note (ii) below)	295	-
At 31 December	295	-
Net book value		
At 31 December	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

24 Business combinations - continued

(ii) Impairment of goodwill

The fair value at the balance sheet date of the goodwill arising on the business combination has been derived from the recoverable value of Biogreen itself, being the cash-generating unit (CGU) to which it relates. The recoverable value of the CGU, which has been determined as being its fair value less costs to sell, is less than the carrying value of the goodwill recognised on the business combination. The goodwill is fully impaired at 31 December 2017 and the resulting impairment charge has been debited to the income and expenditure account.

25 Retirement benefits

The group operates a defined contribution pension scheme. The contributions to the defined contribution pension scheme for the year amounted to €244,549 (2016: €242,633). The amount payable at year end is €Nil (2016: €Nil).

26 Called up share capital and reserves

	2017	2016
	€'000	€'000
(a) Called up share capital		
At 1 January	1,124	1,138
Bonus issue of shares during the year	40	21
Shares redeemed during the year	(60)	(35)
At 31 December	1,104	1,124

Share capital represents 1,104,149 shares of €1 each (2016: 1,124,061 shares).

(b) Reserves
A description of each reserve within equity is outlined below:

Retained profits
The profit and loss reserve represents cumulative profits or losses, net of dividends paid and transfers from the revaluation reserve related to disposals of investment property carried under the revaluation model prior to the transition to FRS 102.

Capital reserve
The capital reserve (non distributable) fund arose on the application of the revaluation model for investments properties and certain classes of tangible assets prior to the transition to FRS 102 and is attributable to the net revaluation surplus on those assets at 1 January 2014.

Currency translation reserve
The currency translation adjustment reserve contains gains/(losses) resulting from varying exchange rates over the years in Polish Zloty, arising on the subsidiary GVM Properties SP Z.o.o. and the joint arrangement Kiwi SP Z.o.o..

(c) Dividends
Dividends in the amount of €46,787 (2016: €Nil) were paid during the year .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

27 Reconciliation of operating profit to operating cash flow

	2017 €'000	2016 €'000
Profit for the financial year	1,262	1,008
Tax on profit on ordinary activities	404	95
Net interest expense	682	657
Income from participating interests	90	(24)
Operating profit	2,438	1,736
Depreciation of tangible fixed assets	215	123
Amortisation of capital grants	(26)	(10)
Revaluation of investment properties	(919)	(76)
Exceptional item - impairment of goodwill	295	-
Loss on disposal of tangible assets and investment properties	-	9
Increase/(decrease) in client funds	273	(55)
Working capital movements:		
- Decrease/(increase) in stock	142	(8)
- Decrease in debtors	233	102
- (Decrease) in creditors	(305)	(128)
Cash flow from operating activities	2,346	1,693

28 Non-controlling interest

The non-controlling interest arises on third party shareholding in the group company, Biogreen Energy Products Limited (2016: GVMAR GP Limited). During the year, the members voluntary liquidation of GVMAR GP Limited was completed and a final distribution of €46,313 was paid to the non-controlling interests (2016: interim distribution of €238,188).

29 Related party transactions

Certain members of the board of directors and shareholders traded with the Society in the ordinary course of business during the year.

The Society invited its Board of Directors, shareholders and third parties to invest in investment properties abroad through its subsidiary companies. Certain members of the Board of Directors and shareholders of the parent Society availed of this opportunity and invested in equity shares in GVMAR GP Limited at arms length and on normal commercial terms available to third parties. During the year the members voluntary liquidation of GVMAR GP Limited was completed and certain members of the Board of Directors and key management received a final distribution. The final distribution received was €11,283 (2016: €62,677).

An amount of €82,819 (2016: Nil) is due at the balance sheet date to certain directors of subsidiary company Biogreen Energy Products Limited

Key management compensation
Key management includes the Board of Directors and members of senior management. Total remuneration, including pension contribution and employers PRSI in respect of senior employees (8) is €940,000 (2016: €918,000) and in respect of the Board of Directors is €65,000 (2016: €74,000).

An amount of €663,466 (2016: €619,217) is due to the Society at the balance sheet date from Kiwi SP Z.o.o..