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:	N. O'Keeffe, 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 2016.

REVIEW OF OPERATIONS

The Society had a successful year with income of €6.473 million and an operating profit of €1.736 million. The Society's profit after interest and before tax was €1.103 million. Equity shareholders' funds increased by over €1.1 million in the year.

LIVESTOCK

After many years of continuous increases in numbers in the Marts, 2016 saw a decline of just under 3,000 cattle to 118,000 cattle and calves. This decrease combined with a reduction in prices saw Mart turnover decrease to €88 million. I am pleased to report however that the Marts division continued to produce healthy profits in the year.

The Society again invested heavily in Mart facilities and spent just under €300K in capital expenditure in Marts in 2016. This Capital Expenditure programme has involved an outlay of €1.5 million since 2011. This is a very significant figure and shows the commitment of the Society to maintaining and improving our Marts for all our customers and staff. The Society is planning further significant expenditure in 2017.

PROPERTY AUCTIONEERING

I am glad to report that our Property Auctioneering Division continued its very positive recovery and is again 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 our offices who are focused on delivering the very best service to all 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.

The Society disposed of our Munich Investment in 2015, and both the Society and third party shareholders in the Investment achieved positive returns. The Society also bought out the minority shareholders in GVM Berlin Limited in 2016 and these shareholders achieved a return of 24% on their investment. We are very pleased to have been able to offer our shareholders and others the opportunity to partake in these investments and even more pleased that we have been able to achieve positive returns for them. Many other much larger funds left their investors with negative returns and GVM can be very proud of its performance.

GVM now own 100% of all of our property investments and I am glad to report that they continue to perform very well. We invested nearly €700K in capital expenditure in 2016 in our German properties which should help to increase income and value going forward. Our investments in Germany are well diversified across five different properties in four different cities and with approximately one hundred and forty tenants. Our Polish investment has proved to have been an inspired one and continued to generate substantial profits in the year. Our Shannon property and our two NCT centres also performed satisfactorily in the year.

BIOGREEN

We hold a 50% interest in Biogreen and I am glad to report that the company again reported a Profit on ordinary activities before interest in 2016. GVM and the other shareholders have a plan in place to introduce more equity into the company and reduce borrowings. This should strengthen the company going forward.

DIVIDEND

I am glad to report that this year 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 for all dividends for three years.

OTHER

The Society is continuously looking for new opportunities. During the year, the Society made an equity investment of €500K for a small shareholding in an Irish private company. The Board is confident that this will provide a good return for the Society. The Board is currently looking at a property investment opportunity in Germany and a renewable investment opportunity in Ireland.

RULES

I am glad to report that the new Rule Book was adopted by the Shareholders at the Special General Meeting in June 2016.

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

Our Society was registered in 1956 and 2016 marked 60 years in existence. The history of the Society is being compiled and we hope to publish a book on the Society covering this period shortly.

CONCLUSION

I want to thank my colleagues on the Board and all the Advisory Committees and you the shareholders for your strong support over the last year. 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 our customers for their continuing support and also our auditors and advisers.

GVM is a strong and profitable Society with Net Assets of €22.2 million and which we can all be proud of. We look forward to the future with confidence.

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 Co-Operative Mart Limited

Report on the financial statements

Our 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 state of the group's affairs as at 31 December 2016 and of its profit and cash flows for the year then ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

What we have audited

The financial statements comprise:

- the group balance sheet as at 31 December 2016;
- the group income and expenditure account for the year then ended;
- the group statement of changes in equity for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matter on which we are required to report by the Industrial and Provident Societies Act

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the society's members as a body in accordance with section 13 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Chairman's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Limerick
11 April 2017

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the financial year ended 31 December 2016

		2016			2015		
	Notes	Continuing Operations €'000	Discontinued Operations €'000	Total €'000	Continuing Operations €'000	Discontinued Operations €'000	Total €'000
Income	5	6,473	-	6,473	6,462	908	7,370
Cost of sales		-	-	-	-	-	-
Gross profit		6,473	-	6,473	6,462	908	7,370
Operating expenses	6	(4,679)	(11)	(4,690)	(4,451)	(426)	(4,877)
Fair value gain on investment property	7	76	-	76	1,287	-	1,287
Loss on disposal of investment properties		-	(9)	(9)	-	(999)	(999)
Depreciation (net of capital grants released)		(114)	-	(114)	(107)	-	(107)
Operating profit/(loss)	21	1,756	(20)	1,736	3,191	(517)	2,674
Share of operating profit in joint ventures		24	-	24	36	-	36
Profit/(loss) on ordinary activities before interest and tax		1,780	(20)	1,760	3,227	(517)	2,710
Interest receivable and similar income	8	-	-	-	608	204	812
Interest payable and similar charges	8	(657)	-	(657)	(1,039)	(278)	(1,317)
Profit/(loss) on ordinary activities before tax		1,123	(20)	1,103	2,796	(591)	2,205
Tax on profit on ordinary activities	9	(117)	22	(95)	(376)	203	(173)
Profit/(loss) after tax and before non-controlling interest		1,006	2	1,008	2,420	(388)	2,032
Non-controlling interest		-	(1)	(1)	(584)	245	(339)
Profit/(loss) for the financial year	10	1,006	1	1,007	1,836	(143)	1,693

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 2016

	Note	2016 €'000	2015 €'000
Fixed assets			
Investment properties	11	35,353	34,585
Tangible assets	12	4,940	4,756
Financial assets - investments	13	502	2
Interest in joint ventures - share of net assets	14	263	278
		41,058	39,621
Current assets			
Stocks	15	15	7
Debtors (amounts falling due within one year)	16	868	970
Cash at bank	17	3,236	5,940
		4,119	6,917
Creditors amounts falling due within one year	18	(2,495)	(2,875)
Net current assets		1,624	4,042
Total assets less current liabilities		42,682	43,663
Creditors - amounts falling due after more than one year	19	(18,677)	(19,069)
Provisions for liabilities	21	(1,800)	(1,791)
Net assets		22,205	22,803
Capital and reserves			
Share capital	25	1,124	1,138
Capital reserve (non-distributable)		3,210	3,210
Currency translation reserve		(337)	(276)
Retained profits		18,162	16,955
Equity shareholders' funds - equity interests		22,159	21,027
Non-controlling interest	27	46	1,776
Capital employed		22,205	22,803

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2017 and signed on its behalf by:

Aidan Liston
Chairman

John O'Keeffe
Vice Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2016

	Share capital	Capital reserve (non-distributable)	Currency translation adjustment	Profit and loss account	Total
	€'000	€'000	€'000	€'000	€'000
Balance as at 1 January 2015	1,151	2,185	(239)	15,262	18,359
Profit for financial year	-	-	-	2,718	2,718
Gains/(losses) arising during the year	-	-	(37)	-	(37)
Transfer to profit and loss account	-	1,025	-	(1,025)	-
Shares redeemed during the year	(13)	-	-	-	(13)
Balance at 31 December 2015	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)
Total transactions with owners, recognised directly in equity	1,124	3,210	(337)	17,941	21,938
Acquisition of non-controlling interest	-	-	-	221	221
Balance as at 31 December 2016	1,124	3,210	(337)	18,162	22,159

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2016

	Note	2016 €'000	2015 €'000
Cash from operations	26	1,693	2,469
Income taxes paid		(320)	(86)
Net cash flows generated from operating activities		1,373	2,383
Cash flows from investing activities			
Purchase of tangible fixed assets and investment properties		(999)	(583)
Purchase of financial asset investments		(517)	-
Proceeds from disposal of tangible fixed assets and investment properties		-	10,456
Net cash used in investing activities		(1,516)	9,873
Cash flows from financing activities			
Interest paid and similar charges		(625)	(1,317)
Share capital redeemed		(35)	(13)
Acquisition of non-controlling interest		(1,253)	-
Distributions to non-controlling interest		(238)	(1,350)
Repayment of bank borrowings		(875)	(19,715)
Proceeds from issue of bank borrowings		425	14,382
Net cash used in financing activities		(2,601)	(8,013)
Net (decrease)/increase in cash and cash equivalents		(2,744)	4,243
Cash and cash equivalents at 1 January		5,811	1,568
Cash and cash equivalents at 31 December		3,067	5,811

Cash and cash equivalents consists of:

		2016 €'000	2015 €'000
Cash and bank balances		2,625	5,273
Client funds cash and bank balances		612	667
Bank overdraft		(170)	(129)
Cash and cash equivalents		3,067	5,811

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.

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.

3 Summary of significant accounting policies - continued

(c) 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.

(d) 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 tenants agreement.

(e) 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.

3 Summary of significant accounting policies - continued

(f) 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.

(g) 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.

(h) 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

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.

(i) Financial fixed assets

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

3 Summary of significant accounting policies - continued

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

3 Summary of significant accounting policies - continued

(o) Financial instruments - continued

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.

(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.

(p) 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.

(q) 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.

5 Income

Income comprises income from continuing and discontinued operations. During the prior year GVMAR GP, a subsidiary company, disposed of investment property and has discontinued operations. It was placed into a members voluntary liquidation prior to the previous year end. The result for the year shows the profit for the year for this discontinued operation together with the corresponding result for the prior year.

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 €88,559,137 (2015: €96,000,564).

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

	2016 €'000	2015 €'000
Europe	6,473	7,370
	6,473	7,370

An analysis of the society's turnover is as follows:	2016 €'000	2015 €'000
Commissions, entry fees, auctioneers' fees and sales of livestock	3,639	3,645
Rents receivable	2,834	3,725
	6,473	7,370

6 Operating expenses

(a) Analysis of operating expenses:

	2016 €'000	2015 €'000
Administration expenses	2,785	2,574
Other expenses	1,905	2,303
	4,690	4,877

(b) The following operating expenses have been recognised

	2016 €'000	2015 €'000
Impairment loss - trade debtors/(reversal of impairment loss - trade debtors)	59	(12)
Stock recognised as an expense	153	190
Depreciation	123	116
Loss on disposal of investment properties	9	999
Amortisation of grants	(10)	(9)
Audit, accountancy and other professional services fees	109	95

7 Fair value gain on investment properties

	2016 €'000	2015 €'000
Fair value gain on Society and subsidiary investment properties	76	1,287

The investment properties are revalued annually, resulting in a surplus on revaluation of €75,752 (2015: €1,286,898). This surplus on revaluation has been credited (2015: credited) to the income and expenditure account.

8 Net interest expense

	2016 €'000	2015 €'000
(a) Interest receivable and similar income		
Fair value gains on derivative financial instruments	-	812
Total interest receivable and similar income	-	812
(b) Interest payable and similar charges		
Interest payable on overdrafts and bank loans	(625)	(981)
Share of interest payable by joint venture	(32)	(31)
Refinancing costs	-	(305)
Total interest payable and similar charges	(657)	(1,317)
(c) Net interest expense		
Interest receivable and similar income	-	812
Interest payable and similar charges	(657)	(1,317)
Net interest expense	(657)	(505)

9 Income tax

	2016	2015
	€'000	€'000
(a) Tax expense include in profit or loss		
Current tax:		
Irish corporation tax on profit for the financial year	-	-
Foreign corporation tax on profit for the financial year	61	343
Current tax expense for the financial year	61	343
Deferred tax:		
Origination and reversal of timing differences	34	(170)
Deferred tax expense/(credit) for the financial year	34	(170)
Tax on profit on ordinary activities	95	173

(b) Reconciliation of tax expense

Tax assessed for the financial year is lower (2015: lower) than the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2016 of 12.5% (2015: 12.5%). The differences are explained below:

	2016	2015
	€'000	€'000
Profit on ordinary activities before taxation	1,103	2,205
Profit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 December 2016 of 12.5% (2015: 12.5%)	138	276
Effects of:		
- Income not subject to tax	(12)	(11)
- Unrecognised deferred tax	2	-
- Expenses not deductible for tax purposes	12	2
- Impact of overseas tax rates	(45)	(64)
- Utilisation of tax losses	-	(30)
Tax on profit on ordinary activities	95	173

10 Profit for the financial year

A loss of €7,844 (2015: profit of €141,300) for the year has been dealt with in the income and expenditure account of the parent Society.

11 Investment properties

	2016 €'000	2015 €'000
At 1 January	34,585	43,350
Additions	692	198
Disposals	-	(10,250)
Revaluation gain (see (a) below)	76	1,287
At 31 December	35,353	34,585

(a) Certain land and buildings owned by the Society in Ireland were valued as at 31 December 2016 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 (2015: revaluation loss of €65,000).

The investment property in Poland was valued on an open market value basis as of 31 December 2016 by the directors. This resulted in no change over the prior year carrying value (2015: revaluation loss of €290,000).

The investment properties in Brandenburgische, Potsdam, Joachimstaler and Hamburg (all located in Germany), were revalued on an open market basis as at 31 December 2016. These valuations were performed by Stefan Küter, director of GVM Berlin Ltd., resulting in a revaluation loss of €23,575 (2015: revaluation gain of €1,858,814) on the aggregate value of these assets over the prior year carrying value and this has been debited (2015: credited) to the profit and loss account.

The investment property in Osnabruck, Germany was revalued on an open market basis as at 31 December 2016. This valuation was performed by Stefan Küter, director of GVM Osnabruck Ltd, resulting in a revaluation gain of €99,326 (2015: revaluation loss of €216,916) over the prior year carrying value and this has been credited (2015: debited) to the profit and loss account.

12 Tangible fixed assets

	Land and buildings €'000	Plant and machinery €'000	Total €'000
Financial year ended 31 December 2015			
Opening carrying amount	4,240	246	4,486
Additions	337	49	386
Disposals	-	-	-
Depreciation	(69)	(47)	(116)
Carrying amount	4,508	248	4,756
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

13 Financial fixed assets

	Notes	2016 €'000	2015 €'000
Unlisted shares	(a)	502	2

(a) In the opinion of the directors the value of the unlisted shares is in excess of cost.

14 Interest in joint ventures

	2016 €'000	2015 €'000
(a) Share of net assets		
Share of gross assets	597	654
Share of gross liabilities	(334)	(376)
	263	278
(b) Intangible asset - goodwill		
Cost		
At 1 January	337	337
Additions	-	-
At 31 December	337	337
Amortised		
At 1 January	337	337
Charge for the year	-	-
At 31 December	337	337
Net book value		
At 31 December	-	-

The goodwill arose on the purchase of 50% of the equity capital of Biogreen Energy Products Limited, during 2005 (note 23). This company is engaged in vegetable oil production and extractions for use in the fertiliser and feed industry.

15 Stocks

	2016 €'000	2015 €'000
Animals and feedstuff	15	7

The replacement cost of the stock does not differ materially from its stated balance sheet value.

16 Debtors - (amounts falling due within one year)

	2016 €'000	2015 €'000
Trade debtors	2	41
Prepayments, accrued income and other debtors	247	302
Amount due from joint venture companies	619	627
	868	970

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

Trade debtors are after provision for impairment €213,654 (2015: €156k).

17 Cash at bank

Cash at bank includes amounts held in separate client funds bank accounts of €611,546 (2014: €666,878) 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

	2016 €'000	2015 €'000
Bank loans (note 20)	738	729
Bank overdrafts	170	129
Trade creditors and accruals	865	992
Other creditors (see (a) below)	101	349
Client funds (note 17)	612	667
Capital grants (note 22)	9	9
	2,495	2,875
(a) Other creditors:		
Corporation tax	16	275
PAYE/PRSI	72	60
VAT	13	14
	101	349

19 Creditors - amounts falling due after more one year

	2016 €'000	2015 €'000
Bank loans (note 20)	18,626	19,020
Capital grants (note 22)	51	49
	18,677	19,069

20 Bank loans

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

	2016 €'000	2015 €'000
Not later than one year	738	729
Later than one year and not later than five years	7,444	7,228
Later than five years	11,182	11,792
	19,364	19,749

- Included in bank loans above is an amount of €1,289,559 in the Society, which is repayable in monthly instalments commencing 21 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 three loans totalling €18,074,576 in subsidiary companies in respect of investment properties. All three 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 for the date of commencement in respect of two loans and at the earliest 30 September 2019 in respect of the third. These loans are secured by a charge on the related investment properties held in the subsidiary companies.

21 Provisions for liabilities and charges

	Provision for joint venture €'000	Deferred Tax €'000	Total €'000
At 1 January 2016	130	1,661	1,791
Movement for year	(25)	34	9
At 31 December 2016	105	1,695	1,800
At 1 January 2015	172	1,650	1,822
Movement for year	(42)	11	(31)
At 31 December 2015	130	1,661	1,791

Deferred tax

Deferred tax is provided as follows:	2016 €'000	2015 €'000
Accelerated capital allowances	1,254	1,217
Revaluation of investment properties	441	444
Provision for deferred tax	1,695	1,661

22 Capital grants

	2016 €'000	2015 €'000
Received		
At 1 January	215	215
Addition	13	-
At 31 December	228	215
Transfers to revenue		
At 1 January	157	148
During the year	10	9
At 31 December	167	157
Net book value		
At 31 December	61	58
Analysed as follows:		
Amounts due within 1 year	9	9
Amounts due after 1 year	52	49

23 Subsidiary undertakings and joint venture investments

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 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
Greenmart Investments Limited	Investment holding	100	Kilmallock, Co Limerick
GVMAR GP Limited	Investment holding	58.07	Kilmallock, Co Limerick
GVM UL Limited	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
Name of Joint Venture			
Biogreen Energy Products Limited	Vegetable Oil Production	51	Kilmallock, Co Limerick
Kiwi SP Z.o.o	Investment Holding	50	01-455 Warszawa, UL Radowa 24.1.14

Under Section 1 of the Companies Act, 2014, Biogreen Energy Products Limited is a subsidiary company of Greenmart Investments Limited which in turn is a subsidiary of Golden Vale Co-Operative Mart Limited. However, under the terms of the shareholders agreement, Biogreen Energy Products Limited has been accounted for as a joint venture.

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.

GVMAR GP Limited is in a members voluntary liquidation at the balance sheet date, following the disposal of the underlying assets.

24 Retirement benefits

The group operates a defined contribution pension scheme. The contributions to the defined contribution pension scheme for the year amounted to €242,633 (2015: €244,357). The amount payable at year end is €Nil (2015: €Nil).

25 Called up share capital and reserves

(a) Called up share capital

	2016 €'000	2015 €'000
At 1 January	1,138	1,151
Bonus issue of shares during the year	21	-
Shares redeemed during the year	(35)	(13)
At 31 December	1,124	1,138

Share capital represents shares of 1,124,061 each (2015: 1,138,302 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 venture Kiwi SP Z.o.o..

26 Reconciliation of operating profit to operating cash flow

	2016 €'000	2015 €'000
Profit for the financial year	1,008	2,032
Tax on profit on ordinary activities	95	173
Net interest expense	657	505
Income from participating interests	(24)	(36)
Operating profit	1,736	2,674
Depreciation of tangible fixed assets	123	116
Amortisation of capital grants	(10)	(9)
Revaluation of investment properties	(76)	(1,287)
Loss on disposal of tangible assets and investment properties	9	999
(Decrease) in client funds	(55)	(309)
Working capital movements:		
- (Increase) in stock	(8)	(2)
- Decrease in debtors	102	74
- (Decrease)/increase in creditors	(128)	213
Cash flow from operating activities	1,693	2,469

27 Non-controlling interest

The non-controlling interest arises on third party shareholding in the group company, GVMAR GP Limited (2015: GVMAR GP Limited and GVM Berlin).

28 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 and GVM Berlin Limited at arms length and on normal commercial terms available to third parties. During the year, the minority interest in GVM Berlin Limited was acquired by the Society. The total consideration paid to related parties in respect of the transaction was €248,048. There are no amounts owing to/from the group in respect of these transactions at year end.

During the year certain members of the Board of Directors and key management received a distribution from GVMAR GP Limited following the sale of the company's investment property and the placing of the company in to a members voluntary liquidation. The total distribution received was €62,677.

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 €918,000 (2015: €893,000) and in respect of the Board of Directors is €74,000 (2015: €69,000).

Amounts of €331,612 (2015: €306,873) and €619,217 (2015: €626,957) were due to the Society at the balance sheet date from Biogreen Energy Products Limited and Kiwi SP Z.o.o. respectively.

29 Capital commitments

	2016 €'000	2015 €'000
Authorised and contracted for	-	-
Authorised and not contracted for	310	-
	310	-

30 Contingencies

The parent society and each of its fellow joint venture shareholders have provided a guarantee, up to the amount of €1,472,345 in favour of the bankers of its joint venture, Biogreen Energy Products Limited, in respect of the obligations of this joint venture. The joint venture trading conditions have improved and made a profit in the year ended 31 December 2016, however it is still dependent on the continuing support of its bankers.

31 Subsequent events

The directors have approved post year-end the purchase of certain investment property in the amount of €1,050,000.

32 Approval of financial statements

The financial statements were approved by the Board of Directors on 31 March 2017.