

The Irish Farmers' Association

Annual Report and  
Consolidated Financial Statements  
for the year ended  
31 March 2021

**THE IRISH FARMERS' ASSOCIATION**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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## **THE IRISH FARMERS' ASSOCIATION**

### **STATEMENT OF NATIONAL COUNCIL'S RESPONSIBILITIES**

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The constitution and rules of the Association require the National Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the results of the Association for that period. In preparing those financial statements, it is necessary to:

- select suitable accounting policies for the Association Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.
- The National Council is responsible for ensuring that the Association keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the Association to be determined with reasonable accuracy and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL COUNCIL OF THE IRISH FARMERS' ASSOCIATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

### Report on the audit of the consolidated financial statements

#### Opinion on the financial statements of The Irish Farmers' Association

In our opinion the group financial statements:

- give a true and fair view of the consolidated assets, liabilities and financial position of the group as at 31 March 2021 and of the consolidated profit of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The financial statements we have audited comprise:

- the Consolidated Income and Expenditure Account;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 20, including a summary of significant accounting policies as set out in note 1.

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

#### Basis for opinion

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

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

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**INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL COUNCIL OF  
THE IRISH FARMERS' ASSOCIATION ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**Other information**

The National Council are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements for the year ended 31 March 2021, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are expected to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are expected to report that fact.

We have nothing to report in this regard.

**Responsibilities of National Council**

As explained more fully in the Statement of National Council's Responsibilities, the National Councils are responsible for the preparation of the financial statements that give a true and fair view, and for such internal control as the National Council 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 National Council are responsible for assessing the Association'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 National Council either intend to liquidate the Association's entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Council.

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## INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL COUNCIL OF THE IRISH FARMERS' ASSOCIATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

### **Auditor's responsibilities for the audit of the financial statements (Continued)**

- Conclude on the appropriateness of the National Council use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

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

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters**

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the group were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the National Council' report is consistent with the financial statements and the National Councils' report has been prepared accordingly

#### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the National Councils' report.

#### **Use of our report**

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

Kevin Sheehan  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

Date: 14 December 2021

**THE IRISH FARMERS' ASSOCIATION**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2021**

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	<i>Notes</i>	<b>2021</b>	2020
		<b>€</b>	€
<b>INCOME</b>	<i>3</i>	<b>15,726,958</b>	15,191,778
<b>EXPENDITURE</b>	<i>4</i>	<b>(14,183,071)</b>	(16,269,252)
Exceptional items – Provision for restructuring costs	<i>5</i>	<b>(428,628)</b>	(1,134,628)
Profit on disposal of fixed and financial assets		<b>154,885</b>	239,656
Government subsidy income		<b>274,250</b>	-
Interest Receivable		<b>327</b>	426
<b>OPERATING SURPLUS/(DEFICIT)</b>	<i>6</i>	<b>1,544,721</b>	(1,972,020)
Share of operating surplus in associate undertakings	<i>11</i>	<b>424,582</b>	85,153
Profit/(Loss) on financial assets through profit and loss	<i>10</i>	<b>2,016,293</b>	(2,430,155)
<b>SURPLUS/(DEFICIT) BEFORE TAXATION</b>		<b>3,985,596</b>	(4,317,022)
Taxation (charge)/credit	<i>8</i>	<b>(846,228)</b>	763,326
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3,139,368</b>	(3,553,696)

Results derive from continuing operations in the current and prior year.

The financial statements were approved by the National Council on 14 December 2021 and signed on its behalf by:

Tim Cullinan (President)

Martin Stapleton (National Treasurer/Returning Officer)

Damian McDonald (Director General)

**THE IRISH FARMERS' ASSOCIATION**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	<i>Notes</i>	<b>2021</b> €	2020 €
Retained surplus/(deficit) for the year		<b>3,139,368</b>	(3,553,696)
Total surplus/(deficit) for the year		<b>3,139,368</b>	(3,553,696)



**THE IRISH FARMERS' ASSOCIATION**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

	<i>Notes</i>	<b>2021</b> €	2020 €
<b>FIXED ASSETS</b>			
Tangible assets	9	<b>550,797</b>	541,919
Financial investments	10	<b>11,782,157</b>	11,079,120
Other investments	11	<b>3,159,333</b>	2,719,244
		<b>15,492,287</b>	14,340,283
<b>CURRENT ASSETS</b>			
Debtors	12	<b>1,173,382</b>	891,444
Cash at bank and in hand		<b>3,170,897</b>	1,586,468
		<b>4,344,279</b>	2,477,912
<b>CREDITORS:</b> (Amounts falling due within one year)	13	<b>(3,742,999)</b>	(4,534,986)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>601,280</b>	(2,057,074)
Provision for Liabilities	14	<b>(1,594,006)</b>	(923,016)
<b>NET ASSETS</b>		<b>14,499,561</b>	11,360,193
<b>CAPITAL AND RESERVES</b>			
Accumulated surplus		<b>14,499,561</b>	11,360,193
		<b>14,499,561</b>	11,360,193

The financial statements were approved by the National Council on 14 December 2021 and signed on its behalf by:

Tim Cullinan (President)

Martin Stapleton (National Treasurer/Returning Officer)

Damian McDonald (Director General)

**THE IRISH FARMERS' ASSOCIATION**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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	<i>Notes</i>	<b>Accumulated surplus €</b>	<b>Total €</b>
At 1 April 2019		14,913,889	<b>14,913,196</b>
Total Comprehensive Deficit for the year		<u>(3,553,696)</u>	<u><b>(3,553,696)</b></u>
At 31 March 2020		11,360,193	<b>11,360,193</b>
Total Comprehensive Surplus for the year		<u>3,139,368</u>	<u><b>3,182,646</b></u>
<b>At 31 March 2021</b>		<u>14,499,561</u>	<u><b>11,360,193</b></u>

**THE IRISH FARMERS' ASSOCIATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	<i>Notes</i>	<b>2021</b> €	2020 €
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<i>15</i>	<b>256,812</b>	(1,209,095)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u>                    </u>	<u>                    </u>
Interest received		<b>51</b>	436
Dividends and investment income received		<b>101,195</b>	362,442
Payments to acquire tangible fixed assets		<b>(201,711)</b>	(211,180)
Payments to acquire investments		<b>(2,279,449)</b>	(4,271,649)
Receipts on disposal of investments		<b>3,706,031</b>	3,701,312
Receipts on disposal of fixed Assets		<b>1,500</b>	
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u><b>1,327,617</b></u>	<u>(418,638)</u>
<b>INCREASE/(DECREASE) IN CASH AND BANK OVERDRAFT</b>		<u><b>1,584,429</b></u>	<u>(1,627,734)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<u><b>1,586,468</b></u>	<u>3,214,202</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<u><b>3,170,897</b></u>	<u>1,586,468</u>

## THE IRISH FARMERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and the preceding financial year.

##### **General Information and Basis of Accounting**

The objective of the Irish Farmers Association is to protect, foster and advance the interests of all farmers and to do all things necessary for, incidental or ancillary to the protection, fostering and advancement of the interests of such farmers or farming, and to have all the powers necessary or incidental or ancillary to the achievement of such objectives. The association's address is the Irish Farm Centre, Bluebell, Dublin 12.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of The Irish Farmers Association is considered to be euro because that is the currency of the primary economic environment in which the company operates.

##### **Basis of Consolidation**

The financial statements of the Association incorporate the financial statements of all core activities and entities controlled by the Association, as outlined in Note 17, together with those of all county executives. Transactions between the General Fund and the other entities have been eliminated in the Consolidated Income and Expenditure Account and the Consolidated Balance Sheet.

The results of associates are included in the consolidation using the equity method.

##### **Going concern**

The financial statements are prepared on the going concern basis. The Association had net current assets of €644,956 (2020: net current liabilities of €2,057,074), and the association remained in a net asset position of €14,543,238 (2020: €11,360,193) at the balance sheet date.

During the current year and prior year, the National Finance Committee, on the direction of National Council, agreed to set aside some of the reserves of the Association to fund a program to reduce staff costs. It is anticipated that these exceptional costs will generate ongoing savings to the Association which, coupled with other measures, will restore the organisation to a position of surplus. The Association has also assessed the impact of the global Covid19 Pandemic on the going concern assumption. Since February, the association has continued to function and deliver services to members, particularly as agricultural activity is deemed an essential service by Government. Although the full impact of Covid19 cannot be fully assessed, management are satisfied that any negative experience to date, and expected future impact on the financial impact to the Association is not sufficient to cause any significant risk over the ability of the Association to continue as a going concern. The National Council, having considered financing arrangements currently in place, the ability to generate cash from special reserve fund assets, likely funding requirements in the short term and have a reasonable expectation that the association and the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a *reducing balance* basis over its expected useful life, as follows:

Office equipment	10% - 25%
Fixtures and fittings	10% - 20%
Motor vehicles	25%
Buildings	4%

**Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Non-current debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

## THE IRISH FARMERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. ACCOUNTING POLICIES (CONTINUED)

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

(i) *Financial assets and liabilities (continued)*

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) *Investments*

Investments in non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

(iii) *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the Association estimates the fair value by using a valuation technique.

#### **Associates**

In the Group financial statements investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

The carrying value of the investment in associate undertakings represents investments in associate together with a share of the associates' profit/(loss) to date.

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Taxation**

Current tax, including Irish corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The current tax also comprises of capital gains tax based on the disposal of shares and deposit interest retention tax (DIRT) suffered on interest income.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Income**

- (i) Affiliation fees are accounted for in the financial year during which they are received.
- (ii) All other income is accounted for in the financial year in respect of which it is receivable.

**Retirement benefits**

The Association participates in a defined contribution scheme for certain employees which is funded by the payment of contributions to a separately administered fund. The assets of the funds are held separately from those of the Association. For the defined contribution schemes the cost of providing benefits is charged to operating profit as incurred.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Group's accounting policies**

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Key source of estimation uncertainty**

**Voluntary Member expense**

Due to the nature of the voluntary member expense accruals and the time lag noted around members claiming expenses that they have incurred but not yet claimed; management note that there is a greater degree of estimation uncertainty associated with these expenses. Management estimate the expense based on estimated amounts incurred and historical claim patterns.

**Legal claims and costs**

Legal claims and their associated costs by their nature are uncertain, where there is a potential expense this is accrued based on consultation with legal counsel and their best estimate of settlement of such claims.



## THE IRISH FARMERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### 3. INCOME

An analysis of the Group's income by class of business is set out below.

Turnover:	2021 €	2020 €
Broadband and phone service sales	5,758,659	5,723,071
Affiliation fees	6,364,980	5,663,000
European involvement fund levies	2,814,308	2,775,361
Trust fund contributions	330,000	330,000
Investment dividend income	46,804	296,577
Other income	412,207	403,769
	<b>15,726,958</b>	<b>15,191,778</b>

All group income was earned in the Republic of Ireland.

#### 4. EXPENDITURE

An analysis of the Group's expenditure is set out below.

Expenditure:	2021 €	2020 €
IFA Telecoms expenses	5,605,052	5,402,638
Total staff costs	4,961,847	5,585,739
Voluntary costs	431,878	1,131,997
Premises	428,882	437,151
Communications	264,645	496,872
Research	18,054	23,278
Public relations	151,866	549,009
Professional fees	415,289	301,548
Affiliation fees	117,335	70,144
Financial charges	294,974	260,352
Foreign travel	(64)	63,173
Brussels office	442,760	424,681
Membership recruitment	226,760	326,416
Membership promotion	385,953	408,153
Other overheads	205,500	141,120
Other expenditure	232,340	646,981
	<b>14,183,071</b>	<b>16,269,252</b>

**THE IRISH FARMERS' ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. EXCEPTIONAL ITEM**

	<b>2021</b> €	2020 €
Charge for restructuring	<b>428,628</b>	1,134,628

During the year, the association provided the above amount to support a restructuring program to reduce staff costs.

**6. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION**

(Surplus)/Deficit on ordinary activities before taxation is stated after charging/(crediting):

	<b>2021</b> €	2020 €
Depreciation of tangible fixed assets	<b>192,833</b>	104,552
Interest received	<b>(327)</b>	(426)

The analysis of the auditors' remuneration is as follows:

Auditors' remuneration for work carried out for the group  
In respect of the financial year is as follows:

	<b>2021</b> €	2020 €
Irish Farmers Association	30,000	26,500
IFA Telecom	16,520	16,520
ISGA	1,265	1,265
Total Group	<b>47,785</b>	44,285

**THE IRISH FARMERS' ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7. REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The salaries and payments paid to key management personnel analysed under the headings required by company law are set out below:

	<b>2021</b>	2020
	<b>€</b>	€
<b>President (Cullinan)</b>		
Gross Salary	<b>90,430</b>	21,310
<b>President (Healy – Up to 31 December 2019)</b>		
Gross Salary	-	48,358
<b>Net amount charged</b>	<b>90,430</b>	69,668

The Remuneration Committee agreed that the salary of the President should be €120,000. This amount would be reduced by any directors' fees payable by outside bodies that came as a consequence of the IFA office.

<b>Deputy President (Rushe)</b>		
Gross Salary	<b>20,373</b>	6,506
<b>Deputy President (Kennedy – Up to 31 December 2019)</b>		
Gross Salary	-	19,192
<b>Net amount charged</b>	<b>20,373</b>	25,698

The Remuneration Committee agreed that the salary of the Deputy President should be €35,000. This amount would be reduced by any directors' fees payable by outside bodies that came as a consequence of the IFA office.

**Director General**

Salary	<b>185,350</b>	185,350
Employer pension contribution	<b>27,802</b>	27,802
	<b>213,152</b>	213,152

**Executive Management**

Salary	<b>492,445</b>	412,989
Employer pension contribution	<b>114,653</b>	106,204
Key Management compensation	<b>607,098*</b>	519,193

\*Includes one extra person and cross over period in Financial Controller role.

**National Council**

Labour replacement paid in Financial year	<b>45,000</b>	209,370
Effect of accrual release	<b>(39,705)</b>	(66,642)
<b>Net amount charged</b>	<b>5,295</b>	142,728

The average remuneration for the top 15 staff after the executive management was:

Salary	<b>86,840</b>	100,235
Employer pension contribution	<b>14,388</b>	21,413
	<b>101,228</b>	121,648

**THE IRISH FARMERS' ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**8. TAX CHARGE /(CREDIT) ON ORDINARY ACTIVITIES**

The tax charge /(credit) comprises:	<b>2021</b>	2020
	<b>€</b>	€
Current tax on profit on ordinary activities		
Irish corporation tax	<b>43,677</b>	52,908
Debit movement in deferred tax liability (Note 14)	<b>670,990</b>	(841,723)
Other taxes incurred	<b>131,561</b>	25,489
Total tax charge /(credit) on ordinary activities	<b>846,228</b>	(763,326)

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of Irish corporation tax to the profit before tax is as follows:

	<b>2021</b>	2020
	<b>€</b>	€
Profit / (Loss) on ordinary activities	<b>3,985,596</b>	(4,317,022)
Before tax at 12.5 % (2020: 12.5%)		
Tax if credited at standard corporation rate	<b>498,200</b>	(539,628)
Capital allowances in excess of depreciation	-	1,919
Income/(expenses) not taxable in determining taxable profit	<b>235,693</b>	(311,781)
Impact of other tax rates	<b>86,163</b>	86,164
Group tax charge /(credit) for the period	<b>846,228</b>	(763,326)

**THE IRISH FARMERS' ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**9. TANGIBLE ASSETS**

	<b>Office Equipment €</b>	<b>Fixtures and Fittings €</b>	<b>Motor Vehicles €</b>	<b>Buildings €</b>	<b>Total €</b>
<b>Cost:</b>					
At 1/04/2020	259,466	904,669	121,140	219,206	1,504,481
Additions	114,401	6,810	80,500	-	201,711
Disposals	(34,886)	(29,013)	-	-	(63,899)
<b>31/03/2021</b>	<b>338,981</b>	<b>882,466</b>	<b>201,640</b>	<b>219,206</b>	<b>1,642,293</b>
<b>Depreciation:</b>					
At 1/04/2020	194,857	679,474	70,695	17,536	962,562
Charge	61,426	89,902	32,736	8,768	192,833
Disposals	(34,885)	(29,013)	-	-	(63,899)
<b>31/03/2021</b>	<b>221,398</b>	<b>740,363</b>	<b>103,431</b>	<b>26,304</b>	<b>1,091,496</b>
<b>Net Book Amount: 31/03/2021</b>	<b>117,583</b>	<b>142,103</b>	<b>98,209</b>	<b>192,902</b>	<b>550,797</b>
31/03/2020	64,609	225,195	50,445	201,670	541,919

**10. FINANCIAL INVESTMENTS**

	<b>2021 €</b>	2020 €
Quoted investments at market value	<b>11,782,157</b>	11,079,120
Opening balance	<b>11,079,120</b>	13,032,320
Net (Disposals)/ Additions during the financial year	<b>(1,313,256)</b>	476,955
Movement in the fair value of investments	<b>2,016,293</b>	(2,430,155)
Closing balance	<b>11,782,157</b>	11,079,120

Quoted investments represent shares held by the Group in publicly quoted companies or other publicly quoted investment funds. The cost of these investments was €6,801,080 (2020: €8,119,630).

**Special Reserve Fund:**

€8,959,137 (2020: €7,677,976) of the above balance relates specifically to the special reserve fund assets.

The Special Reserve Fund was established by the National Council in December 1985, to maintain a financial reserve for the organisation that could only be drawn down into the general fund under exceptional circumstances.

**THE IRISH FARMERS' ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

<b>11. OTHER INVESTMENTS</b>	<b>2021</b>	2020
	<b>€</b>	<b>€</b>
<b>Unquoted Investments:</b>		
Irish Farm Centre Limited (i)	<b>3,099,741</b>	2,658,152
Other Investments (ii)	<b>59,592</b>	61,092
	<b>3,159,333</b>	2,719,244

**(i) Irish Farm Centre Limited**

	<b>Holding</b>	<b>Business</b>	<b>Registered Office</b>
Irish Farm Centre Limited	48.76%	The principal activity of the company is office rental and related services	Irish Farm Centre Bluebell Dublin 12

During the year, the associate undertaking recorded an operating profit of €870,759 (2020: profit of €174,638) before a taxation charge of €50,353 (2020: €39,345). Included in the operating profit is an amount of €699,459 (2020: €0) in respect of a building revaluation. The associate undertaking had combined net assets of €6,357,140 at year end (2020: €5,451,502). The carrying value of the investment in associate undertakings represents investments in associate together with a share of the associates' profit/(loss) to date, being €3,099,741 (2020: €2,658,152).

**(ii) Other Investments**

Other unquoted investments are held at cost less impairment because their value cannot be reliably measured.

<b>12. DEBTORS: (Amounts due within one year)</b>	<b>2021</b>	2020
	<b>€</b>	<b>€</b>
Debtors	<b>1,135,597</b>	848,962
Accrued income and other receivables	<b>37,785</b>	42,482
	<b>1,173,382</b>	891,444

**THE IRISH FARMERS' ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

<b>13. CREDITORS</b>	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>Amounts falling due within one year:</b>		
Trade creditors	<b>607,825</b>	481,171
Pension/ staff and voluntary expense accruals	<b>1,028,088</b>	1,141,168
Provision for restructuring	<b>275,000</b>	1,134,628
Professional/ Legal and other accruals	<b>273,593</b>	123,593
Trade Accruals	<b>1,404,598</b>	1,312,719
PAYE/PRSI/Vat	<b>153,895</b>	341,707
	<b>3,742,999</b>	4,534,986
	<b>3,742,999</b>	4,534,986
<b>14. PROVISION FOR LIABILITIES</b>		
Deferred tax is provided as follows:	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
The deferred tax balance is analysed		
Deferred tax arising in relation to quoted investments	<b>1,594,006</b>	923,016
	<b>1,594,006</b>	923,016
Provision for deferred tax		
Opening balance	<b>923,016</b>	1,764,739
Movement for the current financial year (Note 8)	<b>670,990</b>	(841,723)
Balance at end of year	<b>1,594,006</b>	923,016
	<b>1,594,006</b>	923,016
<b>15. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO NET CASHFLOW FROM OPERATING ACTIVITIES</b>		
	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Operating surplus / (deficit)	<b>3,139,368</b>	(3,553,696)
Interest received	<b>(326)</b>	(436)
Dividends and investment income received	<b>(101,195)</b>	(362,442)
Profit on disposal of investments	<b>(154,885)</b>	(253,580)
Loss on disposal of fixed assets	<b>-</b>	13,924
Depreciation and amortisation	<b>192,833</b>	104,552
(Increase)/Decrease in debtors	<b>(264,969)</b>	384,657
(Decrease)/Increase in creditors	<b>(137,689)</b>	97,230
Fair value movements on financial assets	<b>(2,440,875)</b>	2,345,002
Tax paid	<b>24,550</b>	15,694
Net cash flows from operating activities	<b>256,812</b>	(1,209,095)
	<b>256,812</b>	(1,209,095)

**THE IRISH FARMERS' ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**16. FINANCIAL INSTRUMENTS**

The carrying values of the company's financial assets and liabilities are summarised by category below:

	<b>2021</b>	2020
	<b>€</b>	€
<b>Financial assets</b>		
<i>Measured at undiscounted amounts receivable</i>		
Trade and other debtors (note 12)	<b>1,118,628</b>	848,962
	<hr/>	<hr/>
<i>Measured at fair value through profit or loss</i>		
Investments in listed equity instruments (note 10)	<b>11,782,157</b>	11,079,120
	<hr/>	<hr/>
<i>Measured at cost less impairment</i>		
Other investments (note 11)	<b>3,159,333</b>	2,719,244
	<hr/> <hr/>	<hr/> <hr/>
<b>Financial liabilities</b>		
<i>Measured at undiscounted amounts payable</i>		
Trade and other creditors (note 13)	<b>607,825</b>	481,171
	<hr/> <hr/>	<hr/> <hr/>

The company's income, expense, gains and losses in respect of financial instruments are summarised below:

	<b>2021</b>	2020
	<b>€</b>	€
<b>Financial assets</b>		
On financial assets measured at fair value through profit or loss	<b>2,016,293</b>	(2,430,155)
Interest or other income on financial assets measured at amortised cost	<b>326</b>	436
	<hr/>	<hr/>



## THE IRISH FARMERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### 17. PENSIONS

The Association now operates a defined contribution pension scheme covering certain employees. The net assets of the scheme are held in a separate trustee administered fund. The amount payable to the scheme for the year was €635,295 (2020: €614,081). The amount owed to the scheme at year end is €48,471 (2020: €72,728).

#### 18. SUBSIDIARIES AND RELATED ACTIVITIES

The Association holds investments in or has an interest in subsidiary and related undertakings as follows:

Fresh Milk Producers Association;  
B.V.G. Trustee Company Limited;  
Irish Salmon Growers Association Limited;  
Potato Fund;  
ICHA;  
IFA Telecom Limited; and  
Irish Farm Centre Limited  
Buywayz Limited

The Association has provided letters of support to certain subsidiaries indicating that it will provide financial assistance where necessary to ensure the going concern of that entity.

In the prior year, the Remuneration Committee decided that it was reasonable to allow outgoing President Joe Healy to retain his car at the end of his tenure. The value of the car in the books of IFA was €13,921

Under normal circumstances the Association would provide a new vehicle for the incoming President at the start of his tenure. As an alternative, the Remuneration Committee agreed to purchase a vehicle already in use by the President. Tipperary Milling Company Limited of which Tim Cullinan is a director, were therefore paid €45,000 to acquire the car based on an independent valuation.

#### 19. EVENTS AFTER REPORTING DATE

Since year end as reported in note 5, the voluntary headcount program was substantially completed. There were no other significant events since the financial year end.

#### 20. ULTIMATE CONTROL

The group is controlled by its members as a group. In the opinion of the National Council there is no ultimate controlling party or parent.

**SUPPLEMENTARY INFORMATION**

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(NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT)

**THE IRISH FARMERS' ASSOCIATION**

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	At 31 March 2021			At 31 March 2020				
		IFA 2021 €	IFA Telecom Limited 2021 €	Consolidation adjustment 2021 €	Total 2021 €	IFA 2020 €	IFA Telecom Limited 2020 €	Consolidation adjustment 2020	Total 2020 €
<b>FIXED ASSETS</b>									
Tangible assets		387,893	162,904	-	550,797	411,067	130,852	-	541,919
Special reserve fund assets		8,959,137	2,909,479	(86,459)	11,782,157	7,677,976	3,500,359	(99,216)	11,079,120
Financial investments		3,159,333	-	-	3,159,333	2,719,244	-	-	2,719,244
		<b>12,506,363</b>	<b>3,072,383</b>	<b>(86,459)</b>	<b>15,492,287</b>	10,808,287	3,631,212	(99,216)	14,340,283
<b>CURRENT ASSETS</b>									
Debtors		926,389	3,542,396	(3,295,403)	1,173,382	736,628	2,241,313	(2,086,500)	891,441
Cash at bank and in hand		2,258,555	1,071,181	(158,839)	3,170,897	1,160,844	572,696	(147,069)	1,586,471
		<b>3,184,944</b>	<b>4,613,577</b>	<b>(3,454,242)</b>	<b>4,344,279</b>	1,897,472	2,814,009	(1,051,114)	2,477,912
<b>CREDITORS:</b> (Amounts falling due within one year)		<b>(6,403,083)</b>	<b>(880,618)</b>	<b>3,540,702</b>	<b>(3,742,999)</b>	(6,350,785)	(516,989)	2,332,788	(4,534,986)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(3,218,139)</b>	<b>3,732,959</b>	<b>86,460</b>	<b>601,280</b>	(4,453,313)	2,297,020	99,219	(2,057,174)
Provision for Liabilities		(1,594,006)	-	-	(1,594,006)	(923,016)	-	-	(923,016)
<b>NET ASSETS</b>		<b>7,694,218</b>	<b>6,805,342</b>	<b>1</b>	<b>14,499,561</b>	5,431,958	5,928,232	3	11,360,193
<b>CAPITAL AND RESERVES</b>									
Accumulated surplus		7,694,218	6,805,342	(1)	14,499,561	5,431,961	5,928,232	-	11,360,193
		<b>7,694,218</b>	<b>6,805,342</b>	<b>(1)</b>	<b>14,499,561</b>	5,431,961	5,928,232	-	11,360,193

**THE IRISH FARMERS' ASSOCIATION**

**BREAKDOWN OF RESULTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>IFA 2021 €</b>	<b>SRF 2021 €</b>	<b>Others 2021 €</b>	<b>IFAT 2021 €</b>	<b>IFC 2021 €</b>	<b>TOTAL 2021 €</b>
<i>Notes</i>						
Operating Results	1,018,491	(45,976)	170,774	289,097	424,582	<b>1,859,968</b>
Tax	5,326	-	-	(43,677)	(24,552)	<b>(62,903)</b>
Operating (Deficit)/ Surplus	<u>1,023,819</u>	<u>(45,976)</u>	<u>170,774</u>	<u>245,419</u>	<u>400,030</u>	<u><b>1,797,065</b></u>
Movement in Investments	41,559	1,343,043	-	631,691	-	<b>2,016,293</b>
Deferred Tax	-	(446,507)	-	(224,483)	-	<b>(670,990)</b>
Net Result/Retained Funds	<u><b>1,065,376</b></u>	<u><b>850,560</b></u>	<u><b>170,774</b></u>	<u><b>652,628</b></u>	<u><b>400,030</b></u>	<u><b>3,139,368</b></u>